ANNUAL BUDGET OF

UMNGENI MUNICIPALITY

2014/15 TO 2016/17 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CFO	Chief Financial Officer
CM	Municipality Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross Domestic Product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Plan
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt hour
ℓ	litre
LED	Local Economic Development
M	Mayor
MBRR	Municipal Budget & Reporting Regulations
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental Organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

1.1 Mayor's Report

SPEECH BY THE MAYOR OF uMNGENI MUNICIPALITY

CLLR M.P. MYENI PRESENTED TO THE MUNICIPAL COUNCIL ON THE OCCASION OF THE TABLING OF THE 2014/2015, 2015/2016, 2016/2017 ANNUAL BUDGET IN THE COUNCIL CHAMBERS, HOWICK,

ON TUESDAY 17 JUNE 2014

1.2 Council Resolutions

On 17 June 2014 the Council of UMngeni Municipality Local Municipality met in the Council Chambers of uMngeni Municipality to consider the annual budget of the municipality for the financial year 2014/15. The Council approved and adopted the following resolutions:

1.That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of uMngeni Municipality for the financial year 2014/2015 and indicative allocations for the two projected outer years 2015/2016 and 2016/2017, and the multi-year and single year capital appropriations are approved as set out in the following tables:

1.1 Budgeted Financial Performance (revenue & expenditure by standard classification)

1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote)

1.3 Budgeted Financial Performance (revenue by source and expenditure by type)

1.4 Single year capital appropriations by municipal vote and standard classification and associated funding by source

2. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables

2.1 Budgeted Financial Position

2.2 Budgeted Cash Flows

2.3 Cash backed reserves and accumulated surplus reconciliation

2.4 Asset Management

2.5 Basic service delivery measurement

3. That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, 56 of 2003 and sections 74 and 75A of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, the tariffs for the supply of electricity, refuse removal and all other tariffs as set out in Other Supporting Documents be approved with effect from 1 July 2014.

4. That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the rates policy as amended be approved

5. That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003 the various budget-related policies as amended be approved.

6. That in terms of section 14 of the Municipal Property Rates Act, 6 of 2004 the rate randage and conditions as set out in Other Supporting Documents be approved be approved with effect from 1 July 2014

7. That in terms of section 24(2)(c)(ii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework be approved

8. That the Basic Services Package of Electricity and Refuse Removal as set out in the Tariff Policy be approved

9. That the salaries, wages and allowances of all employees be increased in accordance with the multi-year SALGBC wage agreement with effect from 1 July 2014.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainable, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non-core and 'nice to have' items. Key areas where savings were realized were on telephone and internet usage, printing, workshops, travel, accommodation, and catering.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

National Treasury's MFMA Circulars No. 66 and 67 were used to guide the compilation of the 2014/15 MTREF.

The main challenges experienced during the compilation of the 2014/15 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – original allocations had to be reduced to grant funded projects and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2014/15 MTREF process; and
- Availability of affordable capital/borrowing.

The following budget principles and guidelines directly informed the compilation of the 2014/15 MTREF:

- The 2013/14 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2014/15 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/15 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2014/15 MTREF

Details	Adjustments Budget 2013/2014	Budget Year 2014/2015	Budget Year 2015/2016	Budget Year 2016/2017
Total Operating Revenue	268,011,166.67	264,126,210.40	284,037,288.00	298,632,862.54
Total Operating Expenditure	259,094,000.00	259,285,107.58	271,112,929.83	286,631,055.50
Surplus/(Deficit) for the year	**8,917,166.66**	**4,841,102.82**	**12,924,358.17**	**12,001,807.05**
Total Capital Expenditure	**43,386,000.00**	**23,015,000.00**	**33,428,000.00**	**23,268,000.00**

Total operating revenue has decreased by -1.4 per cent or R3, 8 million for the 2014/15 financial year when compared to the 2013/14 Adjustments Budget. For the two outer years, operational revenue will increase by 19, 9 million and an increase by 14, 5 million respectively.

Total operating expenditure for the 2014/15 financial year has been appropriated at R259,2 million and translates into a budgeted surplus of R4,8 million. When compared to the 2013/14 Adjustments Budget, operational expenditure has increased by R 190 thousand 0.07 per cent in the 2014/15 budget and increased to 4, 5 and increases to 5.7per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years is R12,9 and R12,0 million respectively. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R23, 0 million for 2014/15 is 46,9 per cent less when compared to the 2013/14 Adjustment Budget. The decrease is due to the Provincial transfer of R15m that was for Mandela Capture Site. Capital projects funded through the Municipal Infrastructure Grant and through the Capital Replacement Reserve are included in the 2014/15 capital budget. Note that the Municipality has reached its prudential borrowing limits and so there is very little scope to substantially increase these borrowing levels over the medium-term.

1.4 Operating Revenue Framework

For uMngeni Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 90 per cent annual collection rate for property rates and other key service charges, the collection rate for the outer years is 92 percent.
- Electricity tariff increases as approved by the National Energy Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to electricity;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2014/15 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source											
Property rates	2	76,748	91,124	100,902	117,934	111,737	111,737	111,737	126,896	135,348	142,657
Property rates - penalties & collection charges		3,380	2,319	3,868	4,587	4,587	4,587	4,587	6,000	6,324	6,666
Service charges - electricity revenue	2	36,332	50,446	48,718	65,275	63,675	63,675	63,675	56,138	60,304	64,778
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	10,232	8,190	7,809	4,450	4,459	4,459	4,459	4,946	5,291	5,661
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		789	951	833	1,052	853	853	853	843	888	936
Interest earned - external investments		481	–	2,513	500	725	725	725	900	949	1,000
Interest earned - outstanding debtors		1,155	1,285	1,683	1,636	1,636	1,636	1,636	1,728	1,821	1,920
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		16	3,823	5,579	12,242	13,352	13,352	13,352	9,694	10,218	10,770
Licences and permits		2,940	1,930	1,916	2,163	2,163	2,163	2,163	2,293	2,416	2,547
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		51,673	57,259	40,598	43,492	44,133	44,133	44,133	47,314	51,646	53,770
Other revenue	2	32,177	22,657	30,064	16,537	20,691	20,691	20,691	7,375	8,831	7,929
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		215,924	239,984	244,483	269,868	268,011	268,011	268,011	264,126	284,037	298,633

Table 3 Percentage growth in revenue by main revenue source

	2014/15 Medium Term Revenue & Expenditure Framework						
Description			Budget Year 2014/15	%	Budget Year 2015/16	%	Budget Year 2016/17
Revenue By Source							
Property rates			126,896,080.00	48.04%	135,348,468.00	47.91%	140,970,886.00
Property rates – penalties & collection charges			6,000,000.00	2.27%	4,839,935.00	1.71%	5,101,291.00
Service charges – electricity revenue			56,137,847.00	21.25%	59,477,276.00	21.05%	61,763,786.00
Service charges – refuse revenue			4,946,015.00	1.87%	5,291,299.00	1.87%	5,660,703.00
Rental of facilities and equipment			842,845.00	0.32%	952,710.00	0.34%	1,004,205.00
Interest earned – external investments			900,000.00	0.34%	948,600.00	0.34%	999,824.00
Interest earned – outstanding debtors			1,727,885.00	0.65%	1,821,191.00	0.64%	1,919,535.00
Fines			9,694,314.00	3.67%	10,948,770.00	3.88%	11,540,003.00
Licences and permits			2,292,525.00	0.87%	2,416,321.00	0.86%	2,546,803.00
Transfers recognised – operational			47,314,000.00	17.91%	51,646,000.00	18.28%	53,770,000.00
Other revenue			7,374,699.00	2.79%	8,831,297.00	3.13%	7,928,793.00
NET OPERATING INCOME			264,126,210.00	100.00%	282,521,867.00	100.00%	293,205,829.00

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2013/14 financial year (adjusted budget),revenue from rates and services charges totalled R184,4 million or 68,8 per cent. This increases to R193,9 million, R207,2 million and R219,7 million in the respective financial years of the MTREF. This growth can be mainly attributed to the supplementary valuation rolls and the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table includes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 59 MBRR SA1 (see page 96).

Property rates are the largest revenue source totalling 48,0 per cent or R126,8 million rand and increases to R142,6 million by 2016/17. The second largest source is user charges for services which consists of sale of electricity and refuse removal charges. Operating Grants & Subsidies are the third largest revenue source totalling 17,91 per cent in 2014/15 and remains at 18,0 per cent in 2016/17. Departments have been urged to review the tariffs of items like building plan fees, connection fees, advertisements and permits and licenses on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers totals R47,3 million in the 2014/15 financial year and steadily increases to R53,7 million by 2016/17. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		28,567	32,166	37,876	40,648	39,648	40,648	43,763	46,364	49,094
Local Government Equitable Share		26,617	30,559	35,302	34,038	34,038	34,038	36,235	39,576	42,019
Municipal Systems Improvement		750	790	342	890	890	890	934	967	1,018
Finance Management		1,200	817	2,232	1,550	1,550	1,550	1,600	1,650	1,700
EPWP Incentive					1,000	–	1,000	1,000	–	–
Special Support Councillors Remunaration					3,170	3,170	3,170	3,994	4,171	4,357
Provincial Government:		2,511	2,863	5,341	–	–	–	–	–	–
Special Support Councillors Remunaration		2,511	2,863	5,341		–	–	–	–	–
District Municipality:		692	–	–	–	–	–	–	–	–
Share Services		692								
Provincial Transfers:		73	125	134	2,844	141	2,985	3,551	5,282	4,676
Library					2,461	–	2,461	2,500	2,703	2,846
Museum		73	125	134	143	141	284	799	2,314	1,331
Library					240	–	240	252	265	499
Total Operating Transfers and Grants	5	31,843	35,154	43,351	43,492	39,789	43,633	47,314	51,646	53,770

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.
It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circulars No. 66 and 67 deals, inter alia, with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R85 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- 30 per cent rebate will be granted on all residential properties;
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 60 per cent will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not exceed R9000 per month. In this regard the following stipulations are relevant:
    - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
    - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
    - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
    - The property must be categorized as residential.

- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur

sport. The owner of such a property must apply to the Council in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2014/15 financial year based on the proposed rate randage of 1.45 cents in the Rand from 1 July 2014 is contained below:

Table 5 Comparison of proposed rates to be levied for the 2014/15 financial year

Category	Category	Proposed Tariff (1 July 2014)	Proposed Rebates (from 1 July 2014)
		c	%
Residential		1.45c/R	30%
Industrial		1.45c/R	0%
Business & Commercial		1.45c/R	0%
Farms- Agriculture		1.45c/R	82.5%
Farms- Commercial		1.45c/R	82.5%
Farms-Residential		1.45c/R	82.5%
State Owned Properties		1.45c/R	30%
Municipal Properties		1.45c/R	100%
Public Service Infrastructure (Roads)		1.45c/R	100%
Public Service Infrastructure (Other)		1.45c/R	82.5%
Private Towns		1.45c/R	0%
Informal Settlements		1.45c/R	30%
Mining & Quarries		1.45c/R	82.5%
Vacant Land		1.45c/R	0%
Protected Areas		1.45c/R	100%
National Monuments		1.45c/R	100%
Multi-Purpose		1.45c/R	0%
Smallholdings- Agriculture		1.45c/R	82.5%
Smallholdings- Commercial		1.45c/R	82.5%
Smallholdings- Residential		1.45c/R	82.5%
Smallholdings- Other		1.45c/R	82.5%
Farms- Other		1.45c/R	82.5%

1.4.2 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 7.39 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2014.

Considering the Eskom increases, the consumer tariff for high consumers had to be increased by 8 per cent to offset the additional bulk purchase cost from 1 July 2014. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 100 kWh per 30-day period free of charge.

The following table shows the impact of the proposed increases in electricity tariffs on the electricity charges for domestic customers:

Table 6 Comparison between current electricity charges and increases (Domestic)

Monthly Consumption kWh	Current Tariffs Payable	Proposed Tariffs Payable	Percentage Increase Increase
1-50 kWh	69c/kWh	74c/kWh	7.25%
51-350 kWh	84c/kWh	90c/kWh	7.14%
351-600 kWh	109c/kWh	117c/kWh	7.34%
601kWh and above	132c/kWh	141c/kWh	7.82%

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2014. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). This Municipality has already implemented the stepped tariff structure from 1 July 2010 and will continue with this practice in 2014/15.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the Municipality. Most of the suburbs and inner Municipality reticulation network was designed or strengthened in the early 1980's with an expected 20-25 year life-expectancy. The upgrading of the Municipality's electricity network has therefore become a strategic priority, especially the substations and transmission lines.

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers. As part of the 2014/15 medium-term capital programme, funding has been allocated to electricity infrastructure but these funding levels will require further investigation as part of the next budget cycle in an attempt to source more funding to ensure this risk is mitigated.

1.4.3 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration.

A 6 per cent increase in the waste removal tariff is proposed from 1 July 2014. Higher increases will not be viable in 2014/15 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services. Any increase higher than 6 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2014:

Table 7 Comparison between current waste removal fees and increases

Type of Consumer	Description	Current Tariffs 2013/2014	Proposed Tariffs 2014/2015
Domestic Consumers	Consumers /Ratepayers with total market value per property up to R200 000	Free	Free
	Consumer/Ratepayers with property values in excess of R200 000	R 51.09 per month	R 54.16 per month
Commercial / Consumers	One Collection per week per 120 litre bin	R 95.40 per month	R 101.12 per month
Government	One Collection per week per 120 litre bin	R 84.80 per month	R 89.89 per month

1.4.4 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 5.5 and 6 per cent, with the increase for indigent households closer to 6.0 per cent. Electricity increases however impacts on the total household bill.

Table 8 MBRR Table SA14 – Household bills

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15 % incr.	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		4,821.00	5,067.30	5,422.90	5,124.00	5,748.27	6,093.17	6.0%	6,093.17	6,434.96	6,742.00
Electricity: Basic levy		151.50	79.80	84.27	84.59	89.66	90.23	6.0%	94.50	106.56	118.45
Electricity: Consumption		392.70	766.00	905.00	811.96	860.68	880.78	6.0%	901.62	1,000.96	1,102.89
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		–	–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–	–
Refuse removal		40.00	42.86	45.40	45.40	45.37	45.80	6.0%	50.98	53.83	56.84
Other		–	–	–	–	–	–	–	–	–	–
sub-total		5,405.20	5,955.96	6,457.57	6,065.95	6,743.98	7,109.98	17.7%	7,140.27	7,596.31	8,020.18
VAT on Services											
Total large household bill:		5,405.20	5,955.96	6,457.57	6,065.95	6,743.98	7,109.98	17.7%	7,140.27	7,596.31	8,020.18
% increase/-decrease			10.2%	8.4%	(6.1%)	11.2%	5.4%		0.4%	6.4%	5.6%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		3,476.55	3,644.87	3,900.65	3,586.80	3,586.80	3,586.80	6.0%	3,802.01	4,018.07	4,218.97
Electricity: Basic levy		151.50	79.80	84.27	84.59	90.23	90.23	6.0%	94.50	106.56	118.45
Electricity: Consumption		206.17	373.80	379.00	397.95	397.95	397.95	6.0%	436.01	484.10	537.50
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		–	–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–	–
Refuse removal		40.00	42.80	45.40	47.67	47.67	47.67	6.0%	52.55	55.18	57.94
Other											
sub-total		3,874.22	4,141.27	4,409.32	4,117.01	4,122.65	4,122.65	6.5%	4,385.07	4,663.91	4,932.86
VAT on Services											
Total small household bill:		3,874.22	4,141.27	4,409.32	4,117.01	4,122.65	4,122.65	6.5%	4,385.07	4,663.91	4,932.86
% increase/-decrease			6.9%	6.5%	(6.6%)	0.1%	–		6.4%	6.4%	5.8%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		3,476.55	3,644.87	3,900.65	3,586.80	3,586.80	3,586.80	–	3,802.01	4,018.07	4,218.97
Electricity: Basic levy		151.50	79.80	84.27	84.59	90.23	90.23	6.0%	94.50	106.56	118.45
Electricity: Consumption		206.17	373.80	379.00	397.95	397.95	397.95	6.0%	436.01	484.10	537.50
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		–	–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–	–
Refuse removal		40.00	42.80	45.40	47.67	47.67	47.67	6.0%	52.55	55.18	57.94
Other											
sub-total		3,874.22	4,141.27	4,409.32	4,117.01	4,122.65	4,122.65	6.5%	4,385.07	4,663.91	4,932.86
VAT on Services											
Total small household bill:		3,874.22	4,141.27	4,409.32	4,117.01	4,122.65	4,122.65	6.5%	4,385.07	4,663.91	4,932.86
% increase/-decrease			6.9%	6.5%	(6.6%)	0.1%	–		6.4%	6.4%	5.8%

Operating Expenditure Framework

The Municipality's expenditure framework for the 2014/15 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;

- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

Expenditure By Type											
Employee related costs	2	67,930	73,267	75,210	78,936	78,108	78,108	78,108	80,741	84,255	89,583
Remuneration of councillors		4,198	5,168	5,465	5,836	5,836	5,836	5,836	6,127	6,495	6,820
Debt impairment	3	4,912	18,585	14,543	528	528	528	528	7,847	8,318	8,817
Depreciation & asset impairment	2	8,727	12,710	58,185	10,108	10,108	10,108	10,108	10,675	11,292	11,944
Finance charges		5,772	6,140	5,992	4,804	4,522	4,522	4,522	4,499	4,560	4,834
Bulk purchases	2	38,383	51,625	60,662	69,955	73,453	73,453	73,453	65,681	69,622	73,799
Other materials	8	–	–	–	–	–	–	–	–	–	–
Contracted services		2,019	1,063	1,115	4,000	2,676	2,676	2,676	9,219	9,717	10,240
Transfers and grants		–	2,379	5,110	9,752	13,357	13,357	13,357	7,085	7,899	7,394
Other expenditure	4, 5	67,843	59,479	33,074	73,457	70,506	70,506	70,506	67,411	68,955	73,200
Loss on disposal of PPE		–	65	22	–	–	–	–	–	–	–
Total Expenditure		199,783	230,481	259,378	257,376	259,095	259,095	259,095	259,285	271,113	286,631
Surplus/(Deficit)		16,140	9,502	(14,895)	12,492	8,917	8,917	8,917	4,841	12,924	12,002
Transfers recognised - capital		–	–	16,190	18,912	18,912	18,912	18,912	21,415	22,428	23,268
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		16,140	9,502	1,295	31,404	27,829	27,829	27,829	26,256	35,352	35,270
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		16,140	9,502	1,295	31,404	27,829	27,829	27,829	26,256	35,352	35,270
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		16,140	9,502	1,295	31,404	27,829	27,829	27,829	26,256	35,352	35,270
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		16,140	9,502	1,295	31,404	27,829	27,829	27,829	26,256	35,352	35,270

The budgeted allocation for employee related costs for the 2014/15 financial year totals R80, 7 million, which equals 31,14 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 6.8 per cent for the 2014/15 financial year. An annual increase of 5.4 per cent has been included in the two outer years of the MTREF. As part of the planning assumptions and interventions only critical vacancies were originally budgeted with a 6.8% increase as per the Salary Wage Agreement. In addition expenditure against overtime was included amounting to R2.6 million.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R10.6 million for the 2014/15 financial and equates to 4,11 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1.74 per cent (R4.4 million) of operating expenditure excluding annual redemption for 2014/15 and increases to R4, 8 million in 2016/17. As previously noted, the Municipality has reached its prudential limits for borrowing – hence the planned borrowing to finance the capital budget does not result in finance charges as a

percentage of operational expenditure increasing – rather it is kept close to 1.7 per cent over the MTREF.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Contracted services have been identified as a cost saving area for the Municipality. As part of the compilation of the 2014/15 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2014/15 financial year, this group of expenditure totals R9,2 million. For the two outer years growth has been limited to R9,7 and R10,2 million respectively. As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2014/15 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 5,6 per cent for 2014/15 and curbed at 5,4 per cent for the two outer years, indicating that significant cost savings have been already realised.

1.4.5 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2014/15 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 9 Operational repairs and maintenance

During the compilation of the 2014/15 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. To this end, repairs and maintenance was substantially increased by in the 2014/15 financial year, from R9.6 million to R22, 9million. The total allocation for 2014/15 equates to R22, 9million.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		–	–	–	21,100	7,078	7,078	14,536	15,441	16,402
Infrastructure - Road transport		–	–	–	10,930	2,342	2,342	9,972	10,620	11,310
Roads, Pavements & Bridges		–	–	–	7,900	1,312	1,312	6,660	7,117	7,607
Storm water					3,030	1,030	1,030	3,313	3,502	3,703
Infrastructure - Electricity		–	–	–	8,310	2,876	2,876	4,564	4,821	5,093
Generation										
Transmission & Reticulation		–	–	–	8,310	2,876	2,876	4,564	4,821	5,093
Street Lighting		–	–	–	–	–	–		–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Dams & Reservoirs										
Water purification										
Reticulation		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Reticulation										
Sewerage purification										
Infrastructure - Other		–	–	–	1,860	1,860	1,860	–	–	–
Waste Management		–	–	–	–	–	–			–
Transportation	2	–	–	–	–	–	–	–	–	–
Gas		–	–	–	–	–	–	–	–	–
Other	3	–	–	–	1,860	1,860	1,860	–	–	–
Community		–	–	–	7,557	2,557	2,557	8,365	8,158	8,360
Parks & gardens		–	–	–	800	800	800	1,329	1,401	1,476
Sportsfields & stadia		–	–	–	–	–	–	–	–	–
Swimming pools					–	–	–	–	–	–
Community halls					160	160	160	39	42	45
Libraries					116	116	116	538	67	61
Recreational facilities					–	–	–	–	–	–
Fire, safety & emergency					165	165	165	46	48	51
Security and policing					231	231	231	245	262	280
Buses	7				–	–	–	–	–	–
Clinics					–	–	–	–	–	–
Museums & Art Galleries					574	574	574	68	73	78
Cemeteries					60	60	60	617	430	454
Social rental housing	8				60	60	60	5	6	6
Other					5,391	391	391	5,478	5,829	5,908
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings										
Other	9	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Housing development										
Other		–	–	–	–	–	–	–	–	–
Other assets		–	–	–	–	–	–	–	–	–
General vehicles		–	–	–	–	–	–	–	–	–
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		–	–	–	–	–	–		–	–
Agricultural assets		–	–	–	–	–	–	–	–	–
Agricultural 1		–	–	–	–	–	–	–	–	–
Agricultural 2										
Biological assets		–	–	–	–	–	–	–	–	–
Biological 1		–	–	–	–	–	–	–	–	–
Biological 2										
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming										
Other *(list sub-class)*										
Total Repairs and Maintenance Expenditure	1	–	–	–	28,657	9,635	9,635	22,902	23,599	24,762

For the 2014/15 financial year, 71.9 per cent or R21.1 million of total repairs and maintenance will be spent on infrastructure assets. Electricity infrastructure has received a significant proportion of this allocation totalling 39.3 per cent (R8.3 million), followed by road infrastructure at 51.8 per cent (R10.9 million). Community assets have been allocated R8.2 million of total repairs and maintenance equating to 28.0 per cent. This is to comply with the requirements of National Treasury Circulars 66 & 67 to budget for at least 8% of Property, Plant & Equipment for renewal and operational repairs and maintenance of existing asset infrastructure.

1.4.6 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. There is currently plus minus 2603 debtors registered as indigent and the target is to register 500 or more indigent households during the 2014/15 financial year, a process reviewed every six months.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.5 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 10 2014/15 Medium-term capital budget per vote

	2014/2015 Meduim Term Revenue & Expenditure Framework				
Description	**2014/2015**	**%**	**2015/16**	**%**	**2016/17**
Roads and Stormwater	18,915,000.00	82.19%	19,028,000.00	56.92%	23,268,000.00
Electricity	0.00	0.00%	11,000,000.00	32.91%	
Vehicles, Plant % Maintenance	1,600,000.00	6.95%	0.00	0.00%	0.00
Community Services	2,500,000.00	10.86%	3,400,000.00	10.17%	0.00
TOTAL	**23,015,000.00**	**100.00%**	**33,428,000.00**	**100.00%**	**23,268,000.00**

For 2014/15 an amount of R18, 9 million has been appropriated for the development of infrastructure which represents 82,1 per cent of the total capital budget. In the outer years this amount totals R19, 0 million, 84, 8 per cent and R23, 2million, 100 per cent respectively for each of the financial years.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 22 MBRR A9 (Asset Management) on page 32.

1.6 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2014/15 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 11 MBRR Table A1 - Budget Summary

KZN222 uMngeni - Table A1 Consolidated Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial Performance										
Property rates	80,128	93,444	104,770	122,521	116,324	116,324	116,324	132,896	141,673	149,323
Service charges	46,564	58,636	56,527	69,725	68,134	68,134	68,134	61,084	65,595	70,439
Investment revenue	481	–	2,513	500	725	725	725	900	949	1,000
Transfers recognised - operational	51,673	57,259	40,598	43,492	44,133	44,133	44,133	47,314	51,646	53,770
Other own revenue	37,078	30,645	40,076	33,630	38,695	38,695	38,695	21,932	24,175	24,101
Total Revenue (excluding capital transfers and contributions)	215,924	239,984	244,483	269,868	268,011	268,011	268,011	264,126	284,037	298,633
Employee costs	67,930	73,267	75,210	78,936	78,108	78,108	78,108	80,741	84,255	89,583
Remuneration of councillors	4,198	5,168	5,465	5,836	5,836	5,836	5,836	6,127	6,495	6,820
Depreciation & asset impairment	8,727	12,710	58,185	10,108	10,108	10,108	10,108	10,675	11,292	11,944
Finance charges	5,772	6,140	5,992	4,804	4,522	4,522	4,522	4,499	4,560	4,834
Materials and bulk purchases	38,383	51,625	60,662	69,955	73,453	73,453	73,453	65,681	69,622	73,799
Transfers and grants	–	2,379	5,110	9,752	13,357	13,357	13,357	7,085	7,899	7,394
Other expenditure	74,774	79,193	48,755	77,985	73,710	73,710	73,710	84,477	86,990	92,257
Total Expenditure	199,783	230,481	259,378	257,376	259,095	259,095	259,095	259,285	271,113	286,631
Surplus/(Deficit)	16,140	9,502	(14,895)	12,492	8,917	8,917	8,917	4,841	12,924	12,002
Transfers recognised - capital	–	–	16,190	18,912	18,912	18,912	18,912	21,415	22,428	23,268
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	16,140	9,502	1,295	31,404	27,829	27,829	27,829	26,256	35,352	35,270
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	16,140	9,502	1,295	31,404	27,829	27,829	27,829	26,256	35,352	35,270
Capital expenditure & funds sources										
Capital expenditure	9,302	24,536	26,858	32,262	43,387	43,387	43,387	23,015	33,428	23,268
Transfers recognised - capital	19,830	24,536	26,858	22,162	34,912	34,912	34,912	21,415	22,428	23,268
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	1,358	–	–	10,100	8,474	8,474	8,474	1,600	11,000	–
Total sources of capital funds	21,188	24,536	26,858	32,262	43,386	43,386	43,386	23,015	33,428	23,268
Financial position										
Total current assets	51,338	45,962	108,913	99,856	153,754	153,754	153,754	185,716	175,678	171,354
Total non current assets	369,400	613,432	805,913	441,994	805,914	805,914	805,914	829,708	833,502	845,155
Total current liabilities	80,983	72,697	54,480	57,183	9,914	9,914	9,914	4,835	3,841	4,949
Total non current liabilities	68,572	66,310	71,723	39,417	39,417	39,417	39,417	37,151	35,888	33,572
Community wealth/Equity	273,640	520,387	788,622	356,342	910,337	910,337	910,337	973,438	969,451	977,987
Cash flows										
Net cash from (used) operating	24,284	18,097	30,451	24,310	52,241	52,241	52,241	25,734	38,870	39,053
Net cash from (used) investing	(20,227)	(22,051)	(24,364)	(32,262)	(43,386)	(43,386)	(43,386)	(23,015)	(33,428)	(22,268)
Net cash from (used) financing	(3,600)	(1,563)	(2,368)	(3,645)	(5,600)	(5,600)	(5,600)	(2,500)	(1,500)	(2,600)
Cash/cash equivalents at the year end	(477)	(5,995)	(2,275)	(13,873)	979	979	979	1,198	5,140	19,325
Cash backing/surplus reconciliation										
Cash and investments available	1,801	(3,580)	12,574	21,964	47,308	47,308	47,308	47,500	49,949	52,824
Application of cash and investments	(5,951)	(3,943)	1,103	(16,683)	(49,710)	(49,710)	(49,710)	(73,627)	(63,606)	(51,067)
Balance - surplus (shortfall)	7,752	363	11,472	38,647	97,018	97,018	97,018	121,127	113,555	103,891
Asset management										
Asset register summary (WDV)	1,010	41	117	26,572	26,689	31,742	37,343	37,343	44,244	44,245
Depreciation & asset impairment	8,727	12,710	58,185	10,108	10,108	10,108	10,675	10,675	11,292	11,944
Renewal of Existing Assets	21,557	–	–	–	–	–	–	–	11,000	–
Repairs and Maintenance	38,383	51,625	4,932	28,657	9,635	9,635	22,902	22,902	23,599	24,762
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	55,596	65,528	56,992	50,666	50,666	50,666	53,900	53,900	56,930	60,132
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	0	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	18	23	23	23	23	23	23	23	23	23

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
    a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
    b. Capital expenditure is balanced by capital funding sources, of which
        i. Transfers recognised is reflected on the Financial Performance Budget;
        ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
        iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

4. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 12 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

KZN222 uMngeni - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard										
Governance and administration		120,300	156,284	137,303	157,834	155,267	155,267	171,152	183,860	192,417
Executive and council		91,755	125,083	107,689	152,020	147,473	147,473	166,040	178,488	186,772
Budget and treasury office		25,230	27,506	28,232	3,962	6,751	6,751	4,068	4,268	4,479
Corporate services		3,316	3,695	1,382	1,852	1,044	1,044	1,045	1,104	1,167
Community and public safety		10,453	7,314	9,427	18,864	18,741	18,741	16,797	19,221	19,200
Community and social services		2,360	4,938	1,882	3,225	3,315	3,315	3,952	5,683	4,930
Sport and recreation		365	147	5	5	323	323	6	7	7
Public safety		4,803	562	7,540	15,634	15,104	15,104	12,839	13,532	14,263
Housing		1,106	–	–	–	–	–	–	–	–
Health		1,819	1,667	–	–	–	–	–	–	–
Economic and environmental services		1,482	1,770	31,087	4,658	7,542	7,542	4,159	3,330	3,376
Planning and development		1,085	1,034	357	535	686	686	724	764	805
Road transport		397	736	30,730	4,123	6,856	6,856	3,435	2,566	2,571
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		83,689	74,616	66,666	88,514	86,460	86,460	72,017	77,625	83,640
Electricity		64,147	59,518	53,823	74,458	72,404	72,404	61,417	66,185	71,461
Water		–	–	–	–	–	–	–	–	–
Waste water management		194	205	–	–	–	–	22	24	25
Waste management		19,348	14,894	12,842	14,056	14,056	14,056	10,578	11,416	12,153
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	2	215,924	239,984	244,483	269,869	268,010	268,010	264,126	284,037	298,633
Expenditure - Standard										
Governance and administration		51,552	66,484	49,897	66,596	81,767	81,768	80,223	78,055	100,353
Executive and council		22,557	40,212	23,495	31,504	33,874	33,874	31,552	32,525	52,119
Budget and treasury office		18,047	16,381	16,207	17,204	31,144	31,144	26,032	21,535	22,802
Corporate services		10,948	9,891	10,194	17,888	16,749	16,750	22,639	23,995	25,431
Community and public safety		36,015	36,052	70,580	37,239	36,705	36,705	40,520	44,849	46,525
Community and social services		14,930	19,456	8,375	10,889	12,540	12,540	16,362	19,206	19,304
Sport and recreation		9,371	9,957	8,450	11,853	11,119	11,119	9,974	10,592	11,249
Public safety		7,398	4,972	9,880	13,252	12,272	12,272	12,864	13,649	14,482
Housing		1,106	–	43,875	1,245	774	774	1,319	1,402	1,490
Health		3,210	1,667	–	–	–	0	–	–	–
Economic and environmental services		24,816	27,127	37,794	39,266	35,806	35,806	31,311	33,183	16,354
Planning and development		9,302	9,196	8,375	6,925	6,899	6,899	7,722	8,209	8,727
Road transport		15,514	17,931	29,419	32,341	28,907	28,907	23,588	24,974	7,627
Environmental protection		–	–	–	–	–	0	–	–	–
Trading services		87,244	100,682	101,057	114,128	104,750	104,750	107,163	114,953	123,322
Electricity		64,147	81,814	84,350	90,637	88,425	88,425	82,762	88,988	95,693
Water		–	–	–	–	–	–	–	–	–
Waste water management		4,161	4,606	3,685	9,033	3,635	3,635	9,047	9,608	10,204
Waste management		18,936	14,262	13,022	14,458	12,690	12,690	15,354	16,357	17,425
Other	4	157	135	51	148	66	66	69	73	77
Total Expenditure - Standard	3	199,784	230,481	259,378	257,376	259,094	259,094	259,285	271,113	286,631
Surplus/(Deficit) for the year		16,140	9,503	(14,895)	12,492	8,916	8,916	4,841	12,924	12,002

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 9 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for the Electricity function, but not the Waste management function.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under Executive & Council.

Table 13 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

KZN222 uMngeni - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote	1									
Vote 1 - Executive and Council		92,066	125,413	107,689	152,020	147,473	147,473	166,040	178,488	186,772
Vote 2 - Finance		25,230	27,506	28,232	3,962	6,751	6,751	4,068	4,268	4,479
Vote 3 - Corporate Services		2,416	1,907	1,382	1,311	1,316	1,316	1,334	1,409	1,489
Vote 4 - Planning Services		1,085	1,034	357	535	686	686	724	764	805
Vote 5 - Community Services		7,291	5,440	9,303	18,556	18,411	18,411	16,469	18,876	18,835
Vote 6 - Technical Services		22,155	17,827	43,485	18,237	20,969	20,969	14,074	14,046	14,793
Vote 7 - Economic Development and Growth		767	389	–	–	–	–	–	–	–
Vote 8 - Internal Audit		767	950	211	791	–	–	–	–	–
Vote 9 - Electricity		64,147	59,517	53,823	74,458	72,405	72,405	61,417	66,185	71,461
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	215,924	239,984	244,483	269,869	268,011	268,011	264,126	284,037	298,633
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Executive and Council		23,509	59,194	23,495	33,374	33,874	33,874	32,889	33,947	53,632
Vote 2 - Finance		18,047	6,376	16,207	17,204	31,144	31,144	24,125	21,028	22,268
Vote 3 - Corporate Services		13,393	6,797	10,194	17,889	16,747	16,747	19,159	20,291	21,491
Vote 4 - Planning Services		5,588	6,376	8,375	6,925	6,899	6,899	7,819	8,312	8,835
Vote 5 - Community Services		29,270	26,807	67,652	35,212	34,739	34,739	32,583	36,091	37,227
Vote 6 - Technical Services		38,988	37,091	44,979	53,249	44,494	44,495	56,675	58,978	43,789
Vote 7 - Economic Development and Growth		3,871	2,955	2,307	2,395	2,271	2,271	2,544	2,703	2,873
Vote 8 - Internal Audit		2,971	3,072	1,818	491	501	501	729	775	823
Vote 9 - Electricity		64,147	81,813	84,351	90,638	88,425	88,425	82,762	88,988	95,693
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	199,784	230,481	259,378	257,376	259,094	259,094	259,285	271,113	286,631
Surplus/(Deficit) for the year	2	16,140	9,503	(14,895)	12,492	8,917	8,917	4,841	12,924	12,002

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity trading service.

Table 14 Surplus/(Deficit) calculations for the trading services

Description	2010/11	2011/12	2012/13		Current Year 2013/14			2014/15 Medium Term Revenue and Expenditure Framework		
Thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Buddget Year 2014/15	Buddget Year 2015/16	Buddget Year 2016/17
Capital Revenue	64,147	59,517	53,823	74,458	72,405	72,405	72,404	61,417	66,185	71,461
Operating Expenditure	64,147	81,813	84,351	90,638	88,425	88,425	88,425	82,762	88,988	95,693
Surplus for the year	–	(22,296)	(30,527)	(16,181)	(16,020)	(16,020)	(16,021)	(21,345)	(22,803)	(24,232)
Percentage Surplus	0	-37%	-57%	-22%	-22%	-22%	-22%	-35%	-34%	-34%

2. The electricity trading deficit is a major concern over the 2014/15 MTREF averaging -34 percent over the MTREF. This is primarily as a result of the high increases in Eskom bulk purchases, distribution losses through tampering, theft, illegal connections and the tariff setting policy of the municipality to buffer the impact of these increases on individual consumers.

3. Note that the deficit on the electricity account is *cross-subsidise by rates and other municipal services*.

Table 15 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

KZN222 uMngeni - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source											
Property rates	2	76,748	91,124	100,902	117,934	111,737	111,737	111,737	126,896	135,348	142,657
Property rates - penalties & collection charges		3,380	2,319	3,868	4,587	4,587	4,587	4,587	6,000	6,324	6,666
Service charges - electricity revenue	2	36,332	50,446	48,718	65,275	63,675	63,675	63,675	56,138	60,304	64,778
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	10,232	8,190	7,809	4,450	4,459	4,459	4,459	4,946	5,291	5,661
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		789	951	833	1,052	853	853	853	843	888	936
Interest earned - external investments		481	–	2,513	500	725	725	725	900	949	1,000
Interest earned - outstanding debtors		1,155	1,285	1,683	1,636	1,636	1,636	1,636	1,728	1,821	1,920
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		16	3,823	5,579	12,242	13,352	13,352	13,352	9,694	10,218	10,770
Licences and permits		2,940	1,930	1,916	2,163	2,163	2,163	2,163	2,293	2,416	2,547
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		51,673	57,259	40,598	43,492	44,133	44,133	44,133	47,314	51,646	53,770
Other revenue	2	32,177	22,657	30,064	16,537	20,691	20,691	20,691	7,375	8,831	7,929
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		215,924	239,984	244,483	269,868	268,011	268,011	268,011	264,126	284,037	298,633
Expenditure By Type											
Employee related costs	2	67,930	73,267	75,210	78,936	78,108	78,108	78,108	80,741	84,255	89,583
Remuneration of councillors		4,198	5,168	5,465	5,836	5,836	5,836	5,836	6,127	6,495	6,820
Debt impairment	3	4,912	18,585	14,543	528	528	528	528	7,847	8,318	8,817
Depreciation & asset impairment	2	8,727	12,710	58,185	10,108	10,108	10,108	10,108	10,675	11,292	11,944
Finance charges		5,772	6,140	5,992	4,804	4,522	4,522	4,522	4,499	4,560	4,834
Bulk purchases	2	38,383	51,625	60,662	69,955	73,453	73,453	73,453	65,681	69,622	73,799
Other materials	8	–	–	–	–	–	–	–	–	–	–
Contracted services		2,019	1,063	1,115	4,000	2,676	2,676	2,676	9,219	9,717	10,240
Transfers and grants		–	2,379	5,110	9,752	13,357	13,357	13,357	7,085	7,899	7,394
Other expenditure	4, 5	67,843	59,479	33,074	73,457	70,506	70,506	70,506	67,411	68,955	73,200
Loss on disposal of PPE		–	65	22	–	–	–	–	–	–	–
Total Expenditure		199,783	230,481	259,378	257,376	259,095	259,095	259,095	259,285	271,113	286,631
Surplus/(Deficit)		16,140	9,502	(14,895)	12,492	8,917	8,917	8,917	4,841	12,924	12,002
Transfers recognised - capital		–	–	16,190	18,912	18,912	18,912	18,912	21,415	22,428	23,268
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		16,140	9,502	1,295	31,404	27,829	27,829	27,829	26,256	35,352	35,270
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		16,140	9,502	1,295	31,404	27,829	27,829	27,829	26,256	35,352	35,270
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		16,140	9,502	1,295	31,404	27,829	27,829	27,829	26,256	35,352	35,270
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		16,140	9,502	1,295	31,404	27,829	27,829	27,829	26,256	35,352	35,270

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R264, 1million in 2014/15 and escalates to R298, 6 million by 2016/2017. This represents a year-on-year decrease of 1.4 per cent for the 2014/15 financial year and an increase of 7.54 per cent for the 2015/16 financial year.
2. Revenue to be generated from property rates is R126,8 million in the 2014/15 financial year and increases to R142,6 million by 2016/17which represents 48,0 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 6 per cent for each of the respective financial years of the MTREF.
3. Services charges relating to electricity and refuse removal contributes to the revenue basket of the Municipality totalling R61,0 million for the 2014/15 financial year and increasing to R70,4 million by 2016/17. For the 2014/15 financial year services charges amount to 23,1 per cent of the total revenue base and increase to 23,5per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
5. Bulk purchases have significantly increased over the 2014/15 to 2016/17 period escalating from R65,6 million to R73,7 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 16 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

KZN222 uMngeni - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance		–	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services		–	–	–	–	–	–	–	–	–	–
Vote 4 - Planning Services		–	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services		–	–	–	–	–	–	–	–	–	–
Vote 6 - Technical Services		–	–	–	–	–	–	–	–	–	–
Vote 7 - Economic Development and Growth		–	–	–	–	–	–	–	–	–	–
Vote 8 - Internal Audit		–	–	–	–	–	–	–	–	–	–
Vote 9 - Electricity		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	–	–	–	–	–	–	–	–	–	–
Single-year expenditure *to be appropriated*	2										
Vote 1 - Executive and Council		29	790	–	1,300	1,300	1,300	1,300	–	–	–
Vote 2 - Finance		110	816	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services		158	–	–	–	–	–	–	–	–	–
Vote 4 - Planning Services		–	–	–	–	15,000	15,000	15,000	–	–	–
Vote 5 - Community Services		129	39	–	3,860	2,500	2,500	2,500	2,500	3,400	–
Vote 6 - Technical Services		3,987	19,072	26,858	25,202	23,586	23,586	23,586	20,515	19,028	23,268
Vote 7 - Economic Development and Growth		–	–	–	–	–	–	–	–	–	–
Vote 8 - Internal Audit		–	–	–	–	–	–	–	–	–	–
Vote 9 - Electricity		4,889	3,819	–	1,900	1,000	1,000	1,000	–	11,000	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		9,302	24,536	26,858	32,262	43,386	43,386	43,386	23,015	33,428	23,268
Total Capital Expenditure - Vote		9,302	24,536	26,858	32,262	43,386	43,386	43,386	23,015	33,428	23,268
Capital Expenditure - Standard											
Governance and administration		297	1,606	–	1,300	1,300	1,300	1,300	–	–	–
Executive and council		29	790	–	500	500	500	500	–	–	–
Budget and treasury office		110	816	–	–	–	–	–	–	–	–
Corporate services		158	–	–	800	800	800	800	–	–	–
Community and public safety		129	39	–	3,860	17,500	17,500	17,500	2,500	3,400	–
Community and social services		–	39	–	410	15,000	15,000	15,000	–	–	–
Sport and recreation		27	–	–	2,750	2,500	2,500	2,500	2,500	3,400	–
Public safety		92	–	–	700	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		9	–	–	–	–	–	–	–	–	–
Economic and environmental services		–	6,243	26,858	21,847	20,231	20,231	20,231	18,915	19,028	23,268
Planning and development		–	–	–	–	–	–	–	–	–	–
Road transport		–	6,243	26,858	21,847	20,231	20,231	20,231	18,915	19,028	23,268
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		5,091	3,819	–	5,255	4,355	4,355	4,355	1,600	11,000	–
Electricity		4,889	3,819	–	1,900	1,000	1,000	1,000	–	11,000	–
Water		–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	3,355	3,355	3,355	3,355	–	–	–
Waste management		202	–	–	–	–	–	–	1,600	–	–
Other		3,785	12,829	–	–	–	–	–	–	–	–
Total Capital Expenditure - Standard	3	9,302	24,536	26,858	32,262	43,387	43,387	43,387	23,015	33,428	23,268
Funded by:											
National Government		19,830	21,157	24,364	22,162	19,912	19,912	19,912	21,415	22,428	23,268
Provincial Government		–	3,379	2,493	–	15,000	15,000	15,000	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	19,830	24,536	26,858	22,162	34,912	34,912	34,912	21,415	22,428	23,268
Public contributions & donations	5	–	–	–	–	–	–	–	–	–	–
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		1,358	–	–	10,100	8,474	8,474	8,474	1,600	11,000	–
Total Capital Funding	7	21,188	24,536	26,858	32,262	43,386	43,386	43,386	23,015	33,428	23,268

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Single-year capital expenditure has been appropriated at R23,0 million for the 2014/15 financial year and increases over the MTREF at levels of R33,4 million and R23,2 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from capital grants and contributions from the capital replacement reserve. For 2014/15, capital transfers totals R21.4 million (93 per cent) and escalates to R23,2 million by 2016/17 (100 per cent). Internally generated funding totaling R1,6 million in 2014/15. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

Table 17 MBRR Table A6 - Budgeted Financial Position

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS											
Current assets											
Cash		5	209	216	–	5,634	5,634	5,634	7,594	7,648	7,985
Call investment deposits	1	3,208	2,415	14,849	21,964	41,674	41,674	41,674	39,906	42,301	44,839
Consumer debtors	1	48,125	40,771	35,688	77,892	49,614	49,614	49,614	81,384	68,896	61,698
Other debtors		–	2,516	1,299	–	–	–	–	–	–	–
Current portion of long-term receivables		–	51	29	–	–	–	–	–	–	–
Inventory	2	–	–	56,832	–	56,832	56,832	56,832	56,832	56,832	56,832
Total current assets		51,338	45,962	108,913	99,856	153,754	153,754	153,754	185,716	175,678	171,354
Non current assets											
Long-term receivables		–	–	–	–	–	–	–	–	–	–
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		1,010	–	–	–	–	–	–	–	–	–
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	368,390	613,391	802,926	441,994	802,926	802,926	802,926	829,590	833,383	845,034
Agricultural		–	–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		–	41	117	–	117	117	117	118	119	120
Other non-current assets		–	–	2,871	–	2,871	2,871	2,871	–	–	–
Total non current assets		369,400	613,432	805,913	441,994	805,914	805,914	805,914	829,708	833,502	845,155
TOTAL ASSETS		420,738	659,394	914,826	541,850	959,668	959,668	959,668	1,015,424	1,009,180	1,016,508
LIABILITIES											
Current liabilities											
Bank overdraft	1	1,412	6,204	2,491	–	–	–	–	–	–	–
Borrowing	4	2,912	8,880	6,663	950	7,600	7,600	7,600	2,500	1,500	2,600
Consumer deposits		2,050	2,161	2,210	2,000	2,259	2,259	2,259	2,265	2,267	2,272
Trade and other payables	4	74,303	55,452	42,047	54,233	55	55	55	71	74	78
Provisions		306	–	1,069	–	–	–	–	–	–	–
Total current liabilities		80,983	72,697	54,480	57,183	9,914	9,914	9,914	4,835	3,841	4,949
Non current liabilities											
Borrowing		43,496	35,286	32,380	34,816	34,816	34,816	34,816	32,316	30,816	28,216
Provisions		25,076	31,024	39,343	4,601	4,601	4,601	4,601	4,835	5,072	5,356
Total non current liabilities		68,572	66,310	71,723	39,417	39,417	39,417	39,417	37,151	35,888	33,572
TOTAL LIABILITIES		149,555	139,007	126,204	96,600	49,331	49,331	49,331	41,986	39,729	38,521
NET ASSETS	5	271,183	520,387	788,622	445,250	910,337	910,337	910,337	973,438	969,451	977,987
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		104,519	353,770	621,171	124,414	678,409	678,409	678,409	735,712	728,159	724,630
Reserves	4	169,121	166,617	167,451	231,928	231,928	231,928	231,928	237,726	241,292	253,357
Minorities' interests		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	273,640	520,387	788,622	356,342	910,337	910,337	910,337	973,438	969,451	977,987

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 61 is supported by an extensive table of notes (SA3 which can be found on page 100)providing a detailed analysis of the major components of a number of items, including:
   - Call investments deposits;
   - Consumer debtors;
   - Property, plant and equipment;
   - Trade and other payables;
   - Provisions non-current;
   - Changes in net assets; and

- Reserves

4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 18 MBRR Table A7 - Budgeted Cash Flow Statement

KZN222 uMngeni - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		265,076	239,926	209,770	205,647	223,829	223,829	223,829	195,520	213,921	202,152
Government - operating	1	31,446	35,208	42,208	43,492	44,133	44,133	44,133	47,314	51,646	53,770
Government - capital	1	20,227	22,051	24,364	19,912	34,912	34,912	34,912	21,415	22,428	23,268
Interest		481	1,285	6,890	500	725	725	725	900	949	1,000
Dividends		–			–	–	–	–		–	–
Payments											
Suppliers and employees		(287,173)	(274,391)	(246,789)	(240,437)	(246,836)	(246,836)	(246,836)	(234,916)	(245,514)	(236,303)
Finance charges		(5,772)	(5,982)	(5,992)	(4,804)	(4,522)	(4,522)	(4,522)	(4,499)	(4,560)	(4,834)
Transfers and Grants	1				–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		24,284	18,097	30,451	24,310	52,241	52,241	52,241	25,734	38,870	39,053
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–		–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors		–		–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		–		–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–		–	–	–	–	–	–	–	–
Payments											
Capital assets		(20,227)	(22,051)	(24,364)	(32,262)	(43,386)	(43,386)	(43,386)	(23,015)	(33,428)	(22,268)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(20,227)	(22,051)	(24,364)	(32,262)	(43,386)	(43,386)	(43,386)	(23,015)	(33,428)	(22,268)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		(3,600)	(1,563)	(2,368)	(3,645)	(5,600)	(5,600)	(5,600)	(2,500)	(1,500)	(2,600)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(3,600)	(1,563)	(2,368)	(3,645)	(5,600)	(5,600)	(5,600)	(2,500)	(1,500)	(2,600)
NET INCREASE/ (DECREASE) IN CASH HELD		457	(5,518)	3,720	(11,598)	3,254	3,254	3,254	219	3,942	14,185
Cash/cash equivalents at the year begin:	2	(935)	(477)	(5,995)	(2,275)	(2,275)	(2,275)	(2,275)	979	1,198	5,140
Cash/cash equivalents at the year end:	2	(477)	(5,995)	(2,275)	(13,873)	979	979	979	1,198	5,140	19,325

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2014/15 MTREF provides for a further net increase in cash of R219 thousand for the 2014/15 financial year resulting in an overall projected positive cash position of R1,1 million at year end.
4. The 2014/15 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
5. Cash and cash equivalents totals R1,1 million positive as at the end of the 2014/15 financial year and increase to R5,1million by 2015/16.

Table 19 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN222 uMngeni - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available											
Cash/cash equivalents at the year end	1	(477)	(5,995)	(2,275)	(13,873)	979	979	979	1,198	5,140	19,325
Other current investments > 90 days		2,278	2,415	14,850	35,837	46,329	46,329	46,329	46,301	44,809	33,498
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		1,801	(3,580)	12,574	21,964	47,308	47,308	47,308	47,500	49,949	52,824
Application of cash and investments											
Unspent conditional transfers		21,750	13,662	12,814	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2					–					
Other working capital requirements	3	(27,701)	(17,605)	(11,712)	(16,683)	(49,710)	(49,710)	(49,710)	(73,627)	(63,606)	(51,067)
Other provisions						–					
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5					–					
Total Application of cash and investments:		(5,951)	(3,943)	1,103	(16,683)	(49,710)	(49,710)	(49,710)	(73,627)	(63,606)	(51,067)
Surplus(shortfall)		7,752	363	11,472	38,647	97,018	97,018	97,018	121,127	113,555	103,891

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2010/11 to 2014/15 the surplus improved from R7,7 million to R 121,1million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2014/15 MTREF was funded owing to the significant surplus.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2014/15 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
8. As can be seen the budget has been modelled to progressively move from a surplus of R121, 1million in 2014/15 to a surplus of R 103,8 million by 2016/17.

Table 20 MBRR Table A9 - Asset Management

KZN222 uMngeni - Table A9 Consolidated Asset Management

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CAPITAL EXPENDITURE										
Total New Assets	1	–	–	–	30,862	34,736	34,788	23,015	24,328	23,268
Infrastructure - Road transport		–	–	–	18,912	23,036	23,036	18,915	19,028	23,268
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	1,600	–	–
Infrastructure		–	–	–	*18,912*	*23,036*	*23,036*	*20,515*	*19,028*	*23,268*
Community		–	–	–	6,260	6,010	6,010	2,100	5,300	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	–	–	–	5,690	5,690	5,742	400	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	21,557	–	–	–	–	–	–	–	–
Infrastructure - Road transport		13,346	–	–	–	–	–	–	–	–
Infrastructure - Electricity		2,867	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		1,084	–	–	–	–	–	–	–	–
Infrastructure		*17,297*	–	–	–	–	–	–	–	–
Community		480	–	–	–	–	–	–	–	–
Heritage assets		3,780	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	–	–	–	–	–	–	–	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4									
Infrastructure - Road transport		13,346	–	–	18,912	23,036	23,036	18,915	19,028	23,268
Infrastructure - Electricity		2,867	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		1,084	–	–	–	–	–	1,600	–	–
Infrastructure		*17,297*	–	–	*18,912*	*23,036*	*23,036*	*20,515*	*19,028*	*23,268*
Community		480	–	–	6,260	6,010	6,010	2,100	5,300	–
Heritage assets		3,780	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		–	–	–	5,690	5,690	5,742	400	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	2	21,557	–	–	30,862	34,736	34,788	23,015	24,328	23,268
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport			–	–	18,312	18,312	21,007	26,007	31,007	31,007
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	*18,312*	*18,312*	*21,007*	*26,007*	*31,007*	*31,007*
Community		–	–	–	8,260	8,260	10,618	11,218	13,118	13,118
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		1,010	–	–	–	–	–	–	–	–
Other assets		–	–	–						
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	41	117	–	117	117	118	119	120
TOTAL ASSET REGISTER SUMMARY - PPE (WDV	5	1,010	41	117	26,572	26,689	31,742	37,343	44,244	44,245
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		8,727	12,710	58,185	10,108	10,108	10,108	10,675	11,292	11,944
Repairs and Maintenance by Asset Class	3	–	–	–	28,657	9,635	9,635	22,902	23,599	24,762
Infrastructure - Road transport		–	–	–	10,930	2,342	2,342	9,972	10,620	11,310
Infrastructure - Electricity		–	–	–	8,310	2,876	2,876	4,564	4,821	5,093
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	1,860	1,860	1,860	–	–	–
Infrastructure		–	–	–	*21,100*	*7,078*	*7,078*	*14,536*	*15,441*	*16,402*
Community		–	–	–	7,557	2,557	2,557	8,365	8,158	8,360
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		8,727	12,710	58,185	38,765	19,743	19,743	33,577	34,891	36,706

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE, however uMngeni is unable to comply with the above due to cash limitations.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.

Table 21 MBRR Table A10 - Basic Service Delivery Measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		16,707	18,211	19,667	21,044	21,044	21,044	22,307	23,422	24,359
Flush toilet (with septic tank)		5,977	6,515	7,036	7,529	7,529	7,529	7,980	8,379	8,715
Chemical toilet		200	218	235	252	252	252	267	280	292
Pit toilet (ventilated)		925	1,008	1,089	1,165	1,165	1,165	1,235	1,297	1,349
Other toilet provisions (> min.service level)		5,100	1,530	765	61	61	61	–	–	–
Minimum Service Level and Above sub-total		28,909	27,482	28,792	30,051	30,051	30,051	31,789	33,378	34,715
Bucket toilet		279	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		279	–	–	–	–	–	–	–	–
Total number of households	5	29,188	27,482	28,792	30,051	30,051	30,051	31,789	33,378	34,715
Energy:										
Electricity (at least min.service level)		5,000	–	–	–	4,800	–	4,800	4,800	4,800
Electricity - prepaid (min.service level)		7,000	–	–	–	9,000		9,000	9,000	9,000
Minimum Service Level and Above sub-total		12,000	–	–	–	13,800	–	13,800	13,800	13,800
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	12,000	–	–	–	13,800	–	13,800	13,800	13,800
Refuse:										
Removed at least once a week		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		18,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		18,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Total number of households	5	18,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per mo		7,000	7,000	7,000	9,000	9,000	9,000	9,000	9,000	9,000
Refuse (removed at least once a week)		13,000	13,000	13,000	9,000	9,000	9,000	9,000	9,000	9,000
Cost of Free Basic Services provided (R'000)	8	–	–	–	–	–	–	–	–	–
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per mo		–	–	–	–	–	–	–	–	–
Refuse (removed once a week)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided (minimum social packa		–	–	–	–	–	–	–	–	–
Highest level of free service provided										
Property rates (R value threshold)		100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Water (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)		100	100	100	100	100	100	100	100	100
Refuse (average litres per week)		–	–	–	–	–	–	–	–	
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		55,596	58,932	45,734	43,800	43,800	43,800	46,428	48,935	51,578
Property rates (other exemptions, reductions and rebates)		–	–	–	–	–		–	–	–
Water		–	–	–	–	–		–	–	–
Sanitation		–	–	–	–	–		–	–	–
Electricity/other energy			4,141	5,620	2,510	2,510	2,510	2,884	3,086	3,302
Refuse			2,455	5,639	4,356	4,356	4,356	4,587	4,909	5,252
Municipal Housing - rental rebates		–	–	–	–	–		–	–	–
Housing - top structure subsidies	6	–	–	–	–	–		–	–	–
Other		–	–	–	–	–		–	–	–
Total revenue cost of free services provided (total social package)		55,596	65,528	56,992	50,666	50,666	50,666	53,900	56,930	60,132

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs:
    a. Electricity services – backlog has been reduced. As indicated elsewhere, the emphasis in the electricity sector is on addressing urgent network upgrades. Once the most pressing network issues have been addressed, the electrification programme will be prioritised, with all households in rural areas budgeted to be electrified in 2015/16.
    b. Refuse services – It should be noted that this function is being investigated with a view to realising greater efficiencies, which is likely to translate into a more rapid process to address backlogs.
3. The budget provides for 9000 households to be registered as indigent in 2014/15, and therefore entitled to receiving Free Basic Services. The number is set to increase to 3500 households given the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities.
4. It is anticipated that these Free Basic Services will cost the municipality R7,4 million in 2014/15, remaining at R 7,4million in 2015/16 at current tariffs. This is covered by the municipality's equitable share allocation from national government.
5. In addition to the Free Basic Services, the Municipality also 'gives' households R53,9 million in free services in 2014/15, and remains at R53,9 million in 2015/16 at current tariffs. This 'tax expenditure' needs to be seen within the context of the municipality's overall revenue management strategy – the more the municipality gives away, the less there is available to fund other services. Currently, the 'free services' represent about 8 per cent of total operating revenue.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2013) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule in August 2013. Key dates applicable to the process were:

- **01 August 2013** – Joint strategic planning session of the Budget Steering Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2014/15 MTREF;
- **15 November 2013** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **13 January 2014** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **20 January 2014** – Multi-year budget proposals are submitted to the Mayor for endorsement;
- **23 January 2014** - Council considers the 2014/15 Mid-year Review and Adjustments Budget;

- **9 March 2014** - Recommendations of the Mayor are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2014/15 MTREF is revised accordingly;
- **27 March 2014** - Tabling in Council of the draft 2014/15 IDP and 2014/15 MTREF for public consultation;
  April 2014 – Public consultation;
- **30 April 2014** - Closing date for written comments;
- **2 to 8 May 2014** – finalisation of the 2014/15 IDP and 2014/15 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Act and financial framework;
- **29 May 2014** – Consider approval in terms of section 24(1) of the MFMA, and
- **29 May 2014** - Tabling of the 2014/15 MTREF before Council for approval.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

A third generation IDP document has been compiled and it started in July 2011 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2014/15 MTREF in July.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2014/15 MTREF, based on the approved 2013/14 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2014/15 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2014/15 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2014/15 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2014/15 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2014/15 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 66 and 67 have been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The 2014/15 MTREF will be tabled before Council on 17 June 2014 for community consultation and will be published on the municipality's website, hard copies will be made available at municipal offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees will be utilised to facilitate the community consultation process starting in April 2014. The dates of these meetings will be advertised in the local media. The following notice will be published in the local media:

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (PGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);

- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2014/15 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 22 IDP Strategic Objectives

2014/15 Financial Year	2014/15 MTREF
1. The provision of quality basic services and infrastructure	1. Provision of quality basic services and infrastructure
2. Acceleration of higher and shared economic growth and development	2. Economic growth and development that leads to sustainable job creation
3. Fighting of poverty, building clean, healthy, safe and sustainable communities	3.1 Fight poverty and build clean, healthy, safe and sustainable communities
	3.2 Integrated Social Services for empowered and sustainable communities
4. Fostering participatory democracy and adherence to uMngeni principles through a caring, accessible and accountable service	4. Foster participatory democracy and uMngeni principles through a caring, accessible and accountable service
5. Good governance, Financial viability and institutional governance	5.1 Promote sound governance
	5.2 Ensure financial sustainability
	5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
    - Provide electricity;
    - Provide waste removal;
    - Provide housing;
    - Provide roads and storm water;
    - Provide Municipality planning services; and
    - Maintaining the infrastructure of the Municipality.

2. Economic growth and development that leads to sustainable job creation by:
    - Ensuring the is a clear structural plan for the Municipality;
    - Ensuring planning processes function in accordance with set timeframes;

- Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
- Effective implementation of the Indigent Policy;
- Working with the provincial department of health to provide primary health care services;
- Extending waste removal services and ensuring effective Municipality cleansing;
- Ensuring all waste water treatment works are operating optimally;
- Working with strategic partners such as SAPS to address crime;
- Ensuring save working environments by effective enforcement of building and health regulations;
- Promote viable, sustainable communities through proper zoning; and
- Promote environmental sustainability by protecting wetlands and key open spaces.

3.2 Integrated Social Services for empowered and sustainable communities
- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme

4. Foster participatory democracy and uMngeni principles through a caring, accessible and accountable service by:
- Optimising effective community participation in the ward committee system; and
- Implementing uMngeni in the revenue management strategy.

5.1 Promote sound governance through:
- Publishing the outcomes of all tender processes on the municipal website

5.2 Ensure financial sustainability through:
- Reviewing the use of contracted services
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the 2013/14 revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2014/15 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 23 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

KZN222 uMngeni - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue				215,924	239,984	244,483	269,868	268,011	268,011	264,126	284,037	298,633
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	215,924	239,984	244,483	269,868	268,011	268,011	264,126	284,037	298,633

Table 24 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

KZN222 uMngeni - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Expenditure				199,784	230,481	259,378	257,376	259,094	259,094	259,285	271,113	286,631
Allocations to other priorities												
Total Expenditure			1	199,784	230,481	259,378	257,376	259,094	259,094	259,285	271,113	286,631

Table 25 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

KZN222 uMngeni - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital works		A		9,302	24,536	26,858	32,262	43,386	43,386	23,015	33,428	23,268
		B										
		C										
		D										
		E										
		F										
		G										
		H										
		I										
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	9,302	24,536	26,858	32,262	43,386	43,386	23,015	33,428	23,268

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

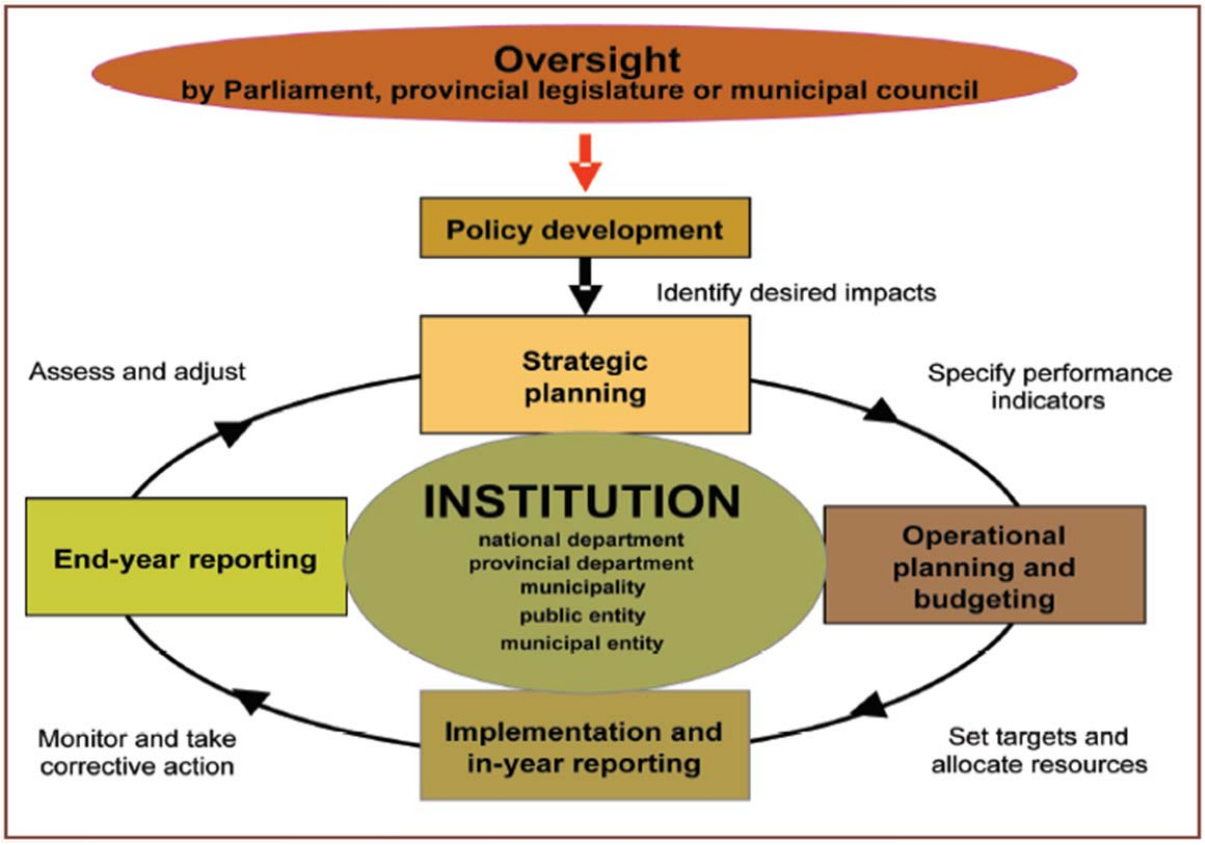

Figure 1 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);

- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

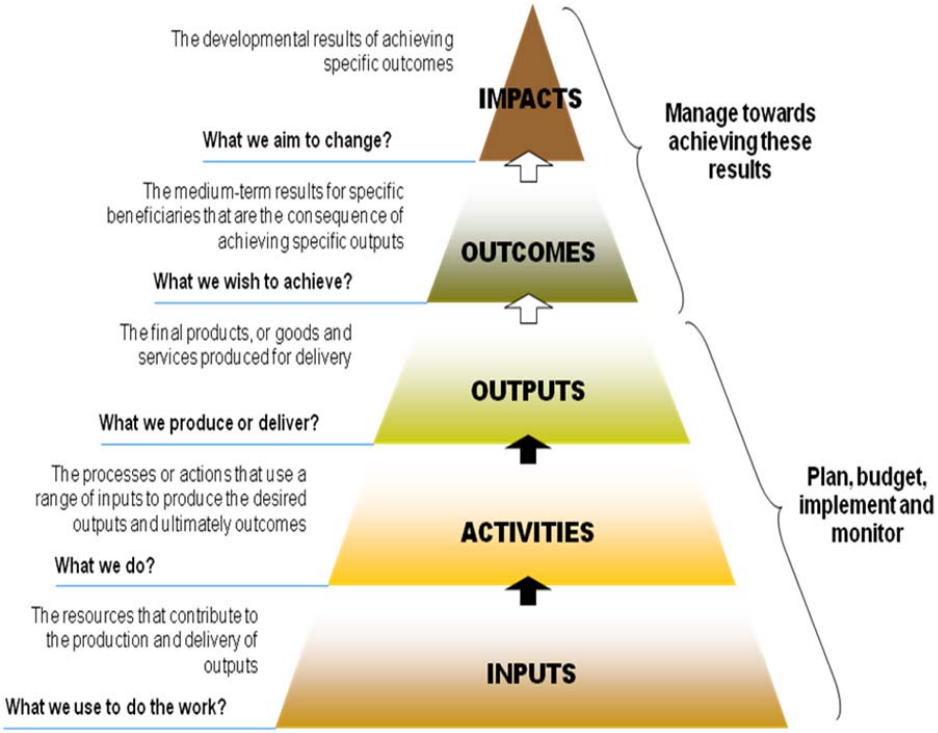

Figure 2 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 26 MBRR Table SA7 - Measurable performance objectives

Strategic Objectives	Goal	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
To ensure integrated development and strategic spatial planning	Spatial planning and environmental sustainability									
To ensure conservation and management of the natural resources of the municipality which includes biodiversity, water resources										
To facilitate Disaster Management within the municipality.										
To ensure effective and efficient Human Resources Management	Human Resource Development									
To ensure good labour relations										
To ensure youth development in the										
Provision of effective information communication technology solutions to bridge the digital divide within the municipality.										
To maintain a good corporate image.										
To provide water, sanitation, electricity, solid waste and road services	Economic infrastructure development and maintenance									
Provision of community and public facilities										
Eradicate informal settlements										
Infrastructure upgrade and maintenance										
Facilitate the provision of formal housing										
Provision of integrated public transport services										
Ensure sustainable human settlement										
Stimulate economic growth for the creation of jobs	Economic transformation of the main economic sectors									
Enhance tourism development										
Support Small Micro Medium Enterprise (SMMEs)										
Facilitate and co-ordinate agricultural development										
Integration of all provincial special programmes into municipal plans	Realisation of sustainable social development									
Increase revenue collection and ensure that all municipal revenue is accounted for.	Financially sound and sustainable municipality									
To ensure that all expenditure is managed in terms of all financial legislation.										
To ensure compliance with all Supply Chain Management Regulations										
Strengthen alignment of policies and strategies of municipal departments.	Good corporate governance									
Strengthen inter-governmental relations										
Enhance stakeholder participation										
To have an effective organisational and										
To ensure a fully capacitated and functional										
To ensure a functional Audit Committee										

KEY FINANCIAL RATIOS/INDICATORS		
Financial Benchmarks	**Basis of Calculation**	**2012/2013 (AFS)**
Debt to Asset Ratio	Total Debt/Total Assets	0,04:1
Debt to Revenue	Total Debt / Annual Income	0,14:1
Average Interest Paid on Debt	Interest Paid/Total Interest Baering Debt	1,79:0
Capital Charges to Operating Expenditure	Interest & Principal Paid/Operating Expenditure	0,05:1
Interest as a % of Operating Expenditure	Interest Paid /Operating Expenditure	5,6%
Current Ratio	Current Assets/Current Liabilities	1,99:0
Creditors System Efficiency	% of Creditors Paid within terms	96%
Electricity Distribution Losses	Total Units Purchased less Total Units Sold/Total Units Purchased	49%

The following table sets out the municipalities main performance objectives and benchmarks for the 2014/15 MTREF.

Table 27 MBRR Table SA8 - Performance indicators and benchmarks

KZN222 uMngeni - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.5%	3.3%	3.2%	3.3%	3.8%	3.8%	3.8%	2.7%	2.2%	2.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5.7%	4.2%	4.1%	3.7%	4.5%	4.5%	4.5%	3.2%	2.6%	3.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	25.7%	21.2%	19.3%	15.0%	15.0%	15.0%	15.0%	13.6%	12.8%	11.1%
Liquidity											
Current Ratio	Current assets/current liabilities	0.6	0.6	2.0	1.7	15.5	15.5	15.5	38.4	45.7	34.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.6	0.6	2.0	1.7	15.5	15.5	15.5	38.4	45.7	34.6
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.0	0.3	0.4	4.8	4.8	4.8	9.8	13.0	10.7
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		161.9%	131.3%	104.2%	91.0%	100.3%	100.3%	100.3%	90.6%	92.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		161.9%	131.3%	104.2%	91.0%	100.3%	100.3%	100.3%	90.6%	92.4%	82.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	22.3%	18.1%	15.1%	28.9%	18.5%	18.5%	18.5%	30.8%	24.3%	20.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	65.0%			60.0%				100.0%	100.0%	100.0%
Creditors to Cash and Investments		-10513.7%	-654.4%	-1178.6%	-390.9%	5.6%	5.6%	5.6%	5.9%	1.4%	0.4%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated	0									
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	31.5%	30.5%	30.8%	29.3%	29.1%	29.1%	29.1%	30.6%	29.7%	30.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	33.4%	34.0%	34.7%	31.4%	31.3%	31.3%		32.9%	31.9%	32.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	17.8%	21.5%	2.0%	10.6%	3.6%	3.6%		8.7%	8.3%	8.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	6.7%	7.9%	26.2%	5.5%	5.5%	5.5%	5.5%	5.7%	5.6%	5.6%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	57.7	19.7	49.2	35.8	35.8	35.8	65.8	88.5	64.6	68.0
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	37.8%	28.3%	22.8%	40.3%	26.8%	26.8%	26.8%	41.8%	33.1%	28.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(0.0)	(0.4)	(0.1)	(0.8)	0.1	0.1	0.1	0.1	0.3	1.0

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, uMngeni Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2014/15 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has steadily increased from 2.7 per cent in 2010/2011 to 3.4 per cent in 2013/14. It is estimated that the cost of borrowing as a percentage of the operating expenditure will reach 3.2 per cent in 2014/15 and will then decrease to 2.8 per cent at the end of the MTREF. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality has reached its prudential borrowing limits.

- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is nil per cent.

The Municipality's debt profile provides some interesting insights on the Municipality's future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

The Municipality has raised mainly amortising loans over the past six years, hence effectively 'front-loading' its debt service costs. This is reflected in the Municipality's debt service profile, which predicts large debt service costs between 2012 and 2018. Debt service costs are expected to peak in 2018 due to the redemption of the last few term loans held by the Municipality.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2014/15 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

2.3.1.2 Safety of Capital

The gearing ratio is a measure of the total long term borrowings over funds and reserves. Between 2010/2011 and 2013/14 the gearing ratio peaked at 22.6 per cent. This was primarily a result of the increased borrowing levels and decreasing funds and reserves. While the gearing ratio decreases to 15.0 per cent in the 2014/15 financial year, the medium term strategy is to steadily reduce the gearing ratio to a level that does not exceed 50 per cent as a prudential limit, hence, over the 2014/15 MTREF the ratio decreases to 12.0 per cent in 2015/16.

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2014/15 MTREF the current ratio is 2.3 in the 2014/15 financial year and 2.4 and 2.3 for the two outer years of the MTREF. Going forward it will be necessary to increase these levels.

- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2013/14 financial year the ratio was 0.5 and as part of the financial planning strategy it has been increased to 0.6 in the 2014/15 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

2.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

2.3.1.5 Creditors Management

- The Municipality could not manage to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has not managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a negative impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to damage the Municipality in the form of more competitive pricing of tenders, as suppliers will not compete for the Municipality's business.

2.3.1.6 Other Indicators

- The electricity distribution losses have increased upwards from 42 per cent in the 2011/12 financial year to 45 per cent in 2012/13. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. Only registered indigents qualify for the free basic services.

For the 2014/15 financial year 3103 registered indigents have been provided for in the budget with this figured increasing to 3503 by 2015/16. In terms of the Municipality's indigent policy registered households are entitled to 100 kwh of electricity and free waste removal for all properties with a value of up to R200 000 as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 23 MBRR A10 (Basic Service Delivery Measurement) on page 35.

2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.
The following budget-related policies have been approved by Council, or have been reviewed or amended and/or are currently being reviewed/amended in line with National Guidelines and other legislation.

2.4.1 Budget Policy

2.4.2 Supply Chain Management Policy

2.4.3. Rates Policy

2.4.4 Tariff Policy

2.4.5 Credit Control & Debt Collection Policy

2.4.6 Subsistence & Travel Policy

2.4.7 Leave Policy

2.4.8 Human Resources Training & Development Policy.

2.4.9 Virement Policy

2.4.10 Funding and Reserves Policy

2.4.11 Cash Management and Investment Policy

2.4.12 Overtime Policy

2.4.13 Organisational Performance Management Policy

2.4.14 Social Housing Policy

2.4.15 Asset Management Policy

2.4.16 Travel Allowance Policy

The promulgation of the Municipal Budget and Reporting Regulations in Government Gazette No. 32141 dated 17 April 2009 is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirement for insuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes of those institutions and other relevant matters as required by the MFMA.

These regulations are effective for all Municipalities from 1 July 2010 and the budget has been compiled accordingly to be in full compliance from 1 July 2010.

In terms of section 7 of these regulations the Municipal Manager must prepare, or take all reasonable steps to ensure the preparation of the budget-related policies of the municipality, or any amendments to such policies, in accordance with the legislation applicable to those policies for tabling in the municipal council by the applicable deadline specified by the mayor in terms of section 21(1)(b) of the Act.

2.4.1 BUDGET POLICY

The budget policy is there to assist Mayors, Councillors, Accounting Officers and Senior Managers in dealing with the changes brought about by the Municipal Finance Management Act No 56 of 2003. This policy provides a framework within which Senior Management can compile, control and review budgets of their respective departments to ensure effective financial management

2.4.2 SUPPLY CHAIN MANAGEMENT POLICY

Municipalities are required in terms of section 111 of the MFMA to have a supply chain management policy.
This policy is within the framework of the relevant legislation and regulations. The policy ascribes to the following principles:

a. A procurement system which is fair, equitable, transparent, competitive and cost-effective in terms of section 217 of the Constitution of South Africa No. 108 of 1996
b. As enshrined in Chapter 11 of the Municipal Finance Management Act and it's regulations
c. Best practices in supply chain management
d. Uniformity in supply chain management systems between organs of state in all spheres
e. Broad Based Black Economic Empowerment

2.4.3 RATES POLICY

Section 5(1) of the Municipal Property Rates Act, No. 6 of 2004 states that a municipal council must annually review, and if necessary, amend it's rates policy. Any amendments must accompany the municipality's annual budget when it is tabled in the Council. The policy is designed to ensure equitable treatment by Council in the levying of rates on property owners, including owners under sectional title, as well as other persons who may become liable for the payment of rates.

2.4.4 TARIFF POLICY

The Municipal Systems Act, No 32 of 2000, requires a municipality to have a tariff determination policy. The challenge in setting tariffs lies in striking a balance between maintaining financial sustainability of the relevant departments (and so the sustainability of service provision) and ensuring affordability of those services by consumers. The municipality's tariff policy provides a broad framework where the Council can determine fair, transparent and affordable service charges that also promote sustainability of service provision. The policy is based on principles that address the social, economic and financial imperatives that the process of tariff setting should take account of.

2.4.5 CREDIT CONTROL & DEBT COLLECTION POLICY

The municipality's credit control and debt collection policy provides the procedures and mechanisms for credit control and for the collection of debts. The primary objective of this policy is to ensure that all monies due and payable to the municipality in respect of rates, fees for services, surcharges on such fees, charges, tariffs, interest which has accrued on any amounts due and payable in respect of the foregoing and any collection charges are collected efficiently and promptly.

2.4.6 SUBSISTANCE AND TRAVEL POLICY

The purpose of this policy is to determine guidelines for Councillors and officials for the payment of travelling and subsistence allowances when performing official functions on behalf of the Municipality.

2.4.7 LEAVE POLICY

The leave policy for uMngeni Municipality was adopted by Council in January

2009 and the goal is to ensure that the services rendered by this municipality to the

community are efficient, effective and uninterrupted.

The objections are as follows:

(i) Ensure continuity in operational requirements of the organisation while other employees are on leave.

(ii) To develop a better understanding regarding leave policy and procedure.

(iii) Ensure the development of clearly written administrative policy and procedure.

(iv) To ensure proper and accurate record keeping.

(v) To ensure that the private and confidential information is maintained.

(vi) Ensure that leave policy respond effectively to crisis and emergency situations.

2.4.8 HUMAN RESOURCE TRAINING AND DEVELOPMENT POLICY

This policy deals with the process whereby people acquire the necessary knowledge and skills to perform delegated tasks. The objective is to ensure that the municipality is served by professional, competent, and productive employees who will have, through continuous improvement in skills and attitude facilitated by the Training Division, distinguish themselves of being capable of delivering high quality services to all people in an endeavour to achieve the municipal strategic objectives.

2.4.9 VIREMENT POLICY

This policy's objective is to allow flexibility in the use of budgeted funds to enable management to act on accasions such as disasters, unforeseen expenditure or savings, etc. as they arise to accelerate service delivery in a financially responsible manner.

2.4.10 FUNDING AND RESERVES POLICY

The funding and reserves policy is aimed at ensuring that the municipality procures sufficient and cost effective funding in order to achieve its capital expenditure objectives in an optimum manner. The policy is adhered to in the procurement of funding for the municipality having due regard to the assets and liability maturity profile of the municipality.

2.4.11 CASH MANAGEMENT AND INVESTMENT POLICY

Section 13(2) of the MFMA requires that a municipality have a policy dealing with cash management and investment. The municipality's cash management and investment policy is developed within the framework of the MFMA.

2.4.12 OVERTIME POLICY

This policy is to ensure that a clear policy guideline is established for all employees of the municipality for working overtime and performing standby duties.

2.4.13 ORGANISATIONAL PERFORMANCE MANAGEMENT POLICY

The Performance Management System (PMS) is aimed at:

Providing Guidelines on the effective implementation and maintenance of a single and uniform performance management process within uMngeni Municipality;

Ensuring that every employee's output is optimized in terms of quality and quantity, thereby improving uMngeni Municipality;s overall performance and service delivery;

Ensuring that individual employee performance is evaluated fairly and objectively;

Ensuring that categories of performance that exceed expectations are recognized, and;

Also ensuring that categories of performance that do not meet expectations are managed.

2.4.14 SOCIAL HOUSING POLICY

The objectives of this Social Housing Policy for uMngeni Municipality are as follows;

To address the housing backlog in the uMngeni municipal area

To ensure that housing beneficiaries are given a choice in respect of the housing types that will suite their life styles and requirements

To facilitate the development and rejuvenation of the town of Howick through social housing development

uMngeni Municipality also intends to facilitate the institution of a Social Housing Company that will be responsible for driving and championing social housing projects within the Municipal area through the social housing policy

This policy seeks to address the imbalances of the past which were a result of the promulgation of policies under the apartheid regime that granted specifically located land for racial segregation as such policies were also determining the urban landscape.

The acceptance of this policy by uMngeni Municipality's EXCO will enable the Municipality and other role-players in the social housing sector to work co-operatively towards improving and upgrading the municipal infrastructure in the identified restructuring zones so that new social housing projects have easy access to services as per Chapter 2, section 5 (iii) of the Social Housing Policy,2006.

To ensure access to funding for social housing development is not interrupted by a lack of policy framework within the municipal structure/municipality

The policy is intended to create an enabling environment for the Municipality to enter into performance agreements with social housing institutions that will be responsible for the overall management of social housing stock within uMngeni Municipality

All the above policies are available at the Municipal Offices in Howick, Hilton, Mpophomeni and Howick West, all the libraries in Howick, Howick West, Hilton and Mpophomeni as well as on the municipality's website www.umngeni.gov.za.

2.4.15 ASSET MANAGEMENT POLICY

The objectives of this policy are:

- To ensure the effectiveness and efficient control, utilisation, safeguarding and strategic property management of municipality's immovable property (property, plant and equipment).
- To ensure asset managers (property managers) are aware of their responsibilities with regards to property, plant and equipment.
- To set out standards of physical management, recording and internal controls to ensure property, plant and equipment are safeguarded against

inappropriate loss or utilisation.

- To specify the process required before expenditure on property, plant equipment occurs.
- To emphasize a culture of transparency and accountability over assets.
- To ensure compliance with all legislative, policies, by laws and accounting prescriptions and requirements.

2.4.16 Travel Allowance Policy

- The objectives of the scheme are to provide for the following:
  Uniform guidelines, conditions and limitations in terms of which the scheme be run in order to restrict differences.
- To compensate employees in a fair and reasonable manner for the utilization of private travel in the execution of official duties.

2.5 Overview of budget assumptions

2.5.1 External factors

The South African economy has averaged about 2.5 per cent growth a year since 2010. Against the background of the slowdown in the global economy, real GDP growth is likely to fall to about 2.1 per cent in 2014.

A recovery of up to 2.5 per cent and 3.0 per cent growth in 2014 and 2015 is expected, but these are modest rates of expansion relative to the social and developmental challenges we face and the opportunities that our mineral wealth and human capabilities offer.

There was a welcome recovery in job creation during 2011, but unemployment has not yet returned to its 2008 peak and the unemployment rate remains high at 25 per cent.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2014/15 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and

- The increase in the cost of remuneration. Employee related costs comprise 30% per cent of total operating expenditure in the 2014/15 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. The wage agreement SALGBC has been concluded with the municipal workers unions and must be noted. Provision was made for a 6.85% increase.

2.5.3 Credit rating outlook

Table 28 Credit rating outlook

Security class	Currency	Rating	Annual rating 2010/11	Previous Rating
Short term	Rand	Prime -1	30 November 2011	Prime -1
Long-term	Rand	Baa2.za	30 November 2011	Baa2.za
Outlook	Rand	Negative	30 November 2011	Negative

The rating definitions are:

- Short term : Prime – 1
  Short-Term Debt Ratings (maturities of less than one year)
  Prime-1 (highest quality)
- Long-term : Baa2.za

2.5.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The Municipality engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2014/15 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments. As part of the compilation of the 2014/15 MTREF the potential of smoothing out the debt profile over the long term will be investigated.

2.5.5 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher that CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (90 per cent) of annual billings. Cash flow is assumed to be 90 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.6 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.5.7 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2012 in 2014/15. An across the board increase of 6.8 per cent has been provided for as per Circular 67 from National Treasury.

2.5.8 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.9 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 90 per cent is achieved on operating expenditure and 95 per cent on the capital programme for the 2014/15 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 29 Breakdown of the operating revenue over the medium-term

	2014/15 Medium Term Revenue & Expenditure Framework						
Description			Budget Year 2014/15	%	Budget Year 2015/16	%	Budget Year 2016/17
Revenue By Source							
Property rates			126,896,080.00	48.04%	135,348,468.00	47.91%	140,970,886.00
Property rates - penalties & collection charges			6,000,000.00	2.27%	4,839,935.00	1.71%	5,101,291.00
Service charges - electricity revenue			56,137,847.00	21.25%	59,477,276.00	21.05%	61,763,786.00
Service charges - refuse revenue			4,946,015.00	1.87%	5,291,299.00	1.87%	5,660,703.00
Rental of facilities and equipment			842,845.00	0.32%	952,710.00	0.34%	1,004,205.00
Interest earned - external investments			900,000.00	0.34%	948,600.00	0.34%	999,824.00
Interest earned - outstanding debtors			1,727,885.00	0.65%	1,821,191.00	0.64%	1,919,535.00
Fines			9,694,314.00	3.67%	10,948,770.00	3.88%	11,540,003.00
Licences and permits			2,292,525.00	0.87%	2,416,321.00	0.86%	2,546,803.00
Transfers recognised - operational			47,314,000.00	17.91%	51,646,000.00	18.28%	53,770,000.00
Other revenue			7,374,699.00	2.79%	8,831,297.00	3.13%	7,928,793.00
NET OPERATING INCOME			264,126,210.00	100.00%	282,521,867.00	100.00%	293,205,829.00

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as electricity, solid waste removal, property rates, operating grants from organs of state and other minor charges (such as building plan fees, licenses, fines and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 90 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Energy Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2014/15 MTREF on the different revenue categories are:

Table 30 Proposed tariff increases over the medium-term

Revenue category	2014/15 proposed tariff increase	2014/15 proposed tariff increase	2015/16 proposed tariff increase	2014/15 additional revenue for each % tariff increase	2014/15 additional revenue owing to % tariff increase	2015/16 additional revenue owing to % tariff increase
	%	%	%	R'000	R'000	R'000
Property rates	6	6	6	R6.000	R6.400	R7.000
Solid Waste	6	6	6	R500	R525	R550
Electricity	7.39	8	8	R6.500	R7.000	R8.000
Total				R13.000	R13.925	R15.550

Revenue to be generated from property rates is R126,8 million in the 2014/15 financial year and increases to R135,3 million by 2015/16 which represents 48,0 per cent of the operating revenue base of the Municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

There are still outstanding objections and appeals, although the Valuations Appeals Board has dealt with a limited number of these it is anticipated that the process will only be concluded during the 2014/15 MTREF. As the levying of property rates is considered a strategic revenue source further supplementary valuation processes will be undertaken in the 2014/15 MTREF. The outcome of this initiative will be closely monitored and reported on a regular basis as part of the quarterly performance reporting. The new valuation roll will be done in terms of Municipal Property Rates Act in the 2014/2015.

Services charges relating to electricity and refuse removal constitutes the second biggest component of the revenue basket of the Municipality totalling R61,0 million for the 2014/15 financial year and increasing to R 65,9 million by 2016/2017.For the 2014/15 financial year services charges amount to 23,1 per cent of the total revenue base and increases to 23,5 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity.

Operational grants and subsidies amount to R47,3 million, R51,6 million and R53,7 million for each of the respective financial years of the MTREF, or 17,9, 18,1 and 18,0 per cent of operating revenue. The percentage of the total operational grants and transfers in relation to the total operating revenue is distorted owing to the high increases in revenue relating to services charges.

It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity.

Table 31 MBRR SA15 – Detail Investment Information

Investment type R thousand	Ref	2010/11 Audited Outcome	2011/12 Audited Outcome	2012/13 Audited Outcome	Current Year 2013/14 Original Budget	Adjusted Budget	Full Year Forecast	2014/15 Medium Term Revenue & Expenditure Framework Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		3,208	–	–	21,694	37,648	37,648	39,906	42,301	44,839
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	3,208	–	–	21,694	37,648	37,648	39,906	42,301	44,839
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		–	–	–	–	–	–	–	–	–
Consolidated total:		3,208	–	–	21,694	37,648	37,648	39,906	42,301	44,839

Table 32 MBRR SA16 – Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref 1	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality														
RMB ASSET MANAGEMENT			MONEY MARKET	Yes	Fixed	0.00	0.00	n/a		1,211	31	–	–	1,242
ABSA BANK			CALL ACCOUNT	No	Variable	0.00	0.00	n/a		8	153	(15,556)	28,361	12,965
ABSA BANK			CALL ACCOUNT	No	Variable	0.00	0.00	n/a		213	74	(8,660)	13,002	4,629
ABSA BANK			FIXED DEPOSIT	No	Variable	0.00	0.00	n/a		4,069	108	(1,900)	–	2,277
ABSA BANK			FIXED DEPOSIT	No	Variable	0.00	0.00	n/a		3,235	98	(1,069)	–	2,264
ABSA BANK			FIXED DEPOSIT	No	Variable	0.00	0.00	n/a		4,922	113	(4,525)	–	510
FNB BANK			FIXED DEPOSIT	No	Variable	0.00	0.00	n/a		1,176	43	–	–	1,220
FNB BANK			FIXED DEPOSIT	No	Variable	0.00	0.00	n/a		150	5	–	–	155
INVESTEC BANK			CALL ACCOUNT	No	Variable	0.00	0.00	n/a		5,000	40	(2,700)	–	2,340
INVESTEC BANK			FIXED DEPOSIT	No	Variable	0.00	0.00	n/a		5,000	–	–	–	5,000
INVESTEC BANK			FIXED DEPOSIT	No	Variable	0.00	0.00	n/a		5,000	47	–	–	5,047
										–	–	–	–	–
										–	–	–	–	–
										–	–	–	–	–
										–	–	–	–	–
										–	–	–	–	–
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										–	–	–	–	–
										–	–	–	–	–
										–	–	–	–	–
										–	–	–	–	–
										–	–	–	–	–
										–	–	–	–	–
										–	–	–	–	–
Municipality sub-total										29,984		(34,411)	41,362	37,648
Entities														
														–
														–
														–
														–
														–
														–
Entities sub-total										–		–	–	–
TOTAL INVESTMENTS AND INTEREST	1									29,984		(34,411)	41,362	37,648

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds although this is not at all sufficient.

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2014/15 medium-term capital programme:

Table 33 Sources of capital revenue over the MTREF

Funded by:											
National Government		19,830	21,157	24,364	22,162	19,912	19,912	19,912	21,415	22,428	23,268
Provincial Government		–	3,379	2,493	–	15,000	15,000	15,000	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	19,830	24,536	26,858	22,162	34,912	34,912	34,912	21,415	22,428	23,268
Public contributions & donations	5	–	–	–	–	–	–	–	–	–	–
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		1,358	–	–	10,100	8,474	8,474	8,474	1,600	–	–
Total Capital Funding	7	21,188	24,536	26,858	32,262	43,386	43,386	43,386	23,015	22,428	23,268

Capital grants and receipts equates to 93 per cent of the total funding source which represents R21,4 million for the 2014/15 financial year.

As explained earlier, the borrowing capacity of the Municipality has essentially reached its limits and going forward borrowing limits will remain constant.

The following table is a detailed analysis of the Municipality's borrowing liability.

Table 34 MBRR Table SA 17 - Detail of borrowings

KZN222 uMngeni - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Parent municipality										
Long-Term Loans (annuity/reducing balance)		41,895	40,332	37,964	34,816	34,816	34,816	32,316	30,816	28,216
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases		–	–	–	–	–	–	–	–	–
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	41,895	40,332	37,964	34,816	34,816	34,816	32,316	30,816	28,216
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	–	–	–	–	–	–	–	–	–
Total Borrowing	1	41,895	40,332	37,964	34,816	34,816	34,816	32,316	30,816	28,216

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R1,6 million.

Table 35 MBRR Table SA 18 - Capital transfers and grant receipts

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		28,567	32,166	37,876	40,648	39,648	40,648	43,763	46,364	49,094
Local Government Equitable Share		26,617	30,559	35,302	34,038	34,038	34,038	36,235	39,576	42,019
Municipal Systems Improvement		750	790	342	890	890	890	934	967	1,018
Finance Management		1,200	817	2,232	1,550	1,550	1,550	1,600	1,650	1,700
EPWP Incentive					1,000	–	1,000	1,000	–	–
Special Support Councillors Remunaration					3,170	3,170	3,170	3,994	4,171	4,357
Provincial Government:		2,511	2,863	5,341	–	–	–	–	–	–
Special Support Councillors Remunaration		2,511	2,863	5,341		–	–	–	–	–
District Municipality:		692	–	–	–	–	–	–	–	–
Share Services		692								
Provincial Transfers:		73	125	134	2,844	141	2,985	3,551	5,282	4,676
Library					2,461	–	2,461	2,500	2,703	2,846
Museum		73	125	134	143	141	284	799	2,314	1,331
Library					240	–	240	252	265	499
Total Operating Transfers and Grants	5	31,843	35,154	43,351	43,492	39,789	43,633	47,314	51,646	53,770
Capital Transfers and Grants										
National Government:		9,553	15,796	21,605	19,912	–	19,912	21,415	22,428	23,268
Municipal Infrastructure Grant (MIG)		6,553	11,977	21,605	18,912	–	18,912	21,415	22,428	23,268
		–	2,562							
		3,000								
			1,257							
Other capital transfers/grants [DME]					1,000	–	1,000	–	–	–
Provincial Government:		–	12,618	–	–	15,000	15,000	–	–	–
Other capital transfers/grants [Mandela Capture Site]			12,618		–	15,000	15,000	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Share Services		–	–	–	–	–	–	–	–	–
Provincial Transfers:		–	–	–	–	–	–	–	–	–
Library		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	9,553	28,414	21,605	19,912	15,000	34,912	21,415	22,428	23,268
TOTAL RECEIPTS OF TRANSFERS & GRANTS		41,396	63,568	64,956	63,404	54,789	78,545	68,729	74,074	77,038

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandably for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;

- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 36 MBRR Table A7 - Budget cash flow statement

KZN222 uMngeni - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		265,076	239,926	209,770	205,647	223,829	223,829	223,829	195,520	213,921	202,152
Government - operating	1	31,446	35,208	42,208	43,492	44,133	44,133	44,133	47,314	51,646	53,770
Government - capital	1	20,227	22,051	24,364	19,912	34,912	34,912	34,912	21,415	22,428	23,268
Interest		481	1,285	6,890	500	725	725	725	900	949	1,000
Dividends		–			–	–	–	–		–	–
Payments											
Suppliers and employees		(287,173)	(274,391)	(246,789)	(240,437)	(246,836)	(246,836)	(246,836)	(234,916)	(245,514)	(236,303)
Finance charges		(5,772)	(5,982)	(5,992)	(4,804)	(4,522)	(4,522)	(4,522)	(4,499)	(4,560)	(4,834)
Transfers and Grants	1				–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		24,284	18,097	30,451	24,310	52,241	52,241	52,241	25,734	38,870	39,053
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–		–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors		–		–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		–		–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–		–	–	–	–	–	–	–	–
Payments											
Capital assets		(20,227)	(22,051)	(24,364)	(32,262)	(43,386)	(43,386)	(43,386)	(23,015)	(33,428)	(22,268)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(20,227)	(22,051)	(24,364)	(32,262)	(43,386)	(43,386)	(43,386)	(23,015)	(33,428)	(22,268)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		(3,600)	(1,563)	(2,368)	(3,645)	(5,600)	(5,600)	(5,600)	(2,500)	(1,500)	(2,600)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(3,600)	(1,563)	(2,368)	(3,645)	(5,600)	(5,600)	(5,600)	(2,500)	(1,500)	(2,600)
NET INCREASE/ (DECREASE) IN CASH HELD		457	(5,518)	3,720	(11,598)	3,254	3,254	3,254	219	3,942	14,185
Cash/cash equivalents at the year begin:	2	(935)	(477)	(5,995)	(2,275)	(2,275)	(2,275)	(2,275)	979	1,198	5,140
Cash/cash equivalents at the year end:	2	(477)	(5,995)	(2,275)	(13,873)	979	979	979	1,198	5,140	19,325

The above table shows that cash and cash equivalents of the Municipality were largely depleted between the 2010/2011 and 2014/15 financial year moving from a negative cash balance of R477 million to a surplus of R 1,1 million with the approved 2014/15 MTREF. With the 2013/14 adjustments budget various cost efficiencies and savings had to be realised to ensure the Municipality could meet its operational expenditure commitments. In addition the Municipality undertook an extensive debt collection process to boost cash levels. These initiatives and interventions have translated into a positive cash position for the Municipality.

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?

- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 37 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

KZN222 uMngeni - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available											
Cash/cash equivalents at the year end	1	(477)	(5,995)	(2,275)	(13,873)	979	979	979	1,198	5,140	19,325
Other current investments > 90 days		2,278	2,415	14,850	35,837	46,329	46,329	46,329	46,301	44,809	33,498
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		1,801	(3,580)	12,574	21,964	47,308	47,308	47,308	47,500	49,949	52,824
Application of cash and investments											
Unspent conditional transfers		21,750	13,662	12,814	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2					–					
Other working capital requirements	3	(27,701)	(17,605)	(11,712)	(16,683)	(49,710)	(49,710)	(49,710)	(73,627)	(63,606)	(51,067)
Other provisions						–					
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5					–					
Total Application of cash and investments:		(5,951)	(3,943)	1,103	(16,683)	(49,710)	(49,710)	(49,710)	(73,627)	(63,606)	(51,067)
Surplus(shortfall)		7,752	363	11,472	38,647	97,018	97,018	97,018	121,127	113,555	103,891

From the above table it can be seen that the cash and investments available total R47,5 million positive in the 2014/15 financial year and progressively increase to R49,9 million positive by 2015/16, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business. During the 2013/14 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants as well as an action plan of spending the grants.
- There is no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.
- Provisions for statutory requirements include VAT owing to timing differences resulting from year-end obligations. The liability in this regard totalled R0 million for the 2014/15 financial year.

- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.
- Long term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long term investments and must be 'held to maturity' and is not available for spending.

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 38 MBRR SA10 – Funding compliance measurement

Total Operating Revenue			215,924	239,984	244,483	269,868	268,011	268,011	268,011	264,126	284,037	298,633
Total Operating Expenditure			199,783	230,481	259,378	257,376	259,095	259,095	259,095	259,285	271,113	286,631
Operating Performance Surplus/(Deficit)			16,140	9,502	(14,895)	12,492	8,917	8,917	8,917	4,841	12,924	12,002
Cash and Cash Equivalents (30 June 2012)										1,198		
Revenue												
% Increase in Total Operating Revenue				11.1%	1.9%	10.4%	(0.7%)	0.0%	0.0%	(1.4%)	7.5%	5.1%
% Increase in Property Rates Revenue				18.7%	10.7%	16.9%	(5.3%)	0.0%	0.0%	13.6%	6.7%	5.4%
% Increase in Electricity Revenue				38.8%	(3.4%)	34.0%	(2.5%)	0.0%	0.0%	(11.8%)	7.4%	7.4%
% Increase in Property Rates & Services Charges				20.0%	6.1%	19.2%	(4.1%)	0.0%	0.0%	5.2%	6.9%	6.0%
Expenditure												
% Increase in Total Operating Expenditure				15.4%	12.5%	(0.8%)	0.7%	0.0%	0.0%	0.1%	4.6%	5.7%
% Increase in Employee Costs				7.9%	2.7%	5.0%	(1.0%)	0.0%	0.0%	3.4%	4.4%	6.3%
% Increase in Electricity Bulk Purchases				34.5%	17.5%	15.3%	5.0%	0.0%	0.0%	(10.6%)	6.0%	6.0%
Average Cost Per Budgeted Employee Position (Remuneration)					192847.1821	0				0		
Average Cost Per Councillor (Remuneration)					0	0				0		
R&M % of PPE			10.4%	8.4%	0.6%	6.5%	1.2%	1.2%		2.8%	2.8%	2.9%
Asset Renewal and R&M as a % of PPE			5935.0%	125914.0%	4221.0%	108.0%	36.0%	30.0%		61.0%	78.0%	56.0%
Debt Impairment % of Total Billable Revenue			3.9%	12.1%	9.0%	0.3%	0.3%	0.3%	0.3%	4.0%	4.0%	4.0%
Capital Revenue												
Internally Funded & Other (R'000)			1,358	–	–	10,100	8,474	8,474	8,474	1,600	11,000	–
Borrowing (R'000)			–	–	–	–	–	–	–	–	–	–
Grant Funding and Other (R'000)			19,830	24,536	26,858	22,162	34,912	34,912	34,912	21,415	22,428	23,268
Internally Generated funds % of Non Grant Funding			100.0%	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%
Borrowing % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			93.6%	100.0%	100.0%	68.7%	80.5%	80.5%	80.5%	93.0%	67.1%	100.0%
Capital Expenditure												
Total Capital Programme (R'000)			9,302	24,536	26,858	32,262	43,387	43,387	43,387	23,015	33,428	23,268
Asset Renewal			21,557	–	–	–	–	–	–	–	11,000	–
Asset Renewal % of Total Capital Expenditure			101.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	32.9%	0.0%
Cash												
Cash Receipts % of Rate Payer & Other			161.9%	131.3%	104.2%	91.0%	100.3%	100.3%	100.3%	90.6%	92.4%	82.9%
Cash Coverage Ratio			(0)	(0)	(0)	(0)	0	0	0	0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			4.7%	3.3%	3.2%	3.3%	3.9%	3.9%	3.9%	2.7%	2.2%	2.6%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves												
Surplus/(Deficit)			7,752	363	11,472	38,647	97,018	97,018	97,018	121,127	113,555	103,891
Free Services												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)			33.8%	35.9%	28.0%	22.4%	22.6%	22.6%		24.9%	24.5%	24.6%
High Level Outcome of Funding Compliance												
Total Operating Revenue			215,924	239,984	244,483	269,868	268,011	268,011	268,011	264,126	284,037	298,633
Total Operating Expenditure			199,783	230,481	259,378	257,376	259,095	259,095	259,095	259,285	271,113	286,631
Surplus/(Deficit) Budgeted Operating Statement			16,140	9,502	(14,895)	12,492	8,917	8,917	8,917	4,841	12,924	12,002
Surplus/(Deficit) Considering Reserves and Cash Backing			23,892	9,865	(3,423)	51,139	105,934	105,934	105,934	125,968	126,480	115,893
MTREF Funded (1) / Unfunded (0)		15	1	1	0	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗		15	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓

2.6.5.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a

minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 21, on page 31. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. Notably, the ratio has been falling significantly for the period 2010/2011 to 2014/15, moving from 2.9 to (0.1) with the adopted 2013/14 MTREF. As part of the 2014/15 MTREF the municipalities decreasing cash position causes the ratio to move to 0.1 and then decreases to (0.7) for the outer years. As indicated above the Municipality aims to achieve at least one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth totals 0, 0 and 0 per cent for the respective financial year of the 2014/15 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 6 per cent, with the increase in electricity at 7.39 per cent it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. Given that the assumed collection rate was based on a 93 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 0.3, 0.3 and 0.3 per cent over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 0 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded.

2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

2.6.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtor's accounts within 30 days.

2.6.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the Municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 55 MBRR SA34C on page 91.

2.6.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 54 MBRR SA34b on page 116.

2.7 Expenditure on transfers and grants programmes

Table 39 MBRR SA19 - Expenditure on transfers and grant programmes

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		28,567	32,166	40,300	39,648	39,648	39,648	43,763	46,364	49,094
Local Government Equitable Share		26,617	30,559	35,302	34,038	34,038	34,038	36,235	39,576	42,019
Municipal Systems Improvement		750	790	800	890	890	890	934	967	1,018
Finance Management		1,200	817	4,198	1,550	1,550	1,550	1,600	1,650	1,700
EPWP Incentive								1,000	–	–
Special Support Councillors Remunaration					3,170	3,170	3,170	3,994	4,171	4,357
Provincial Government:		2,584	2,988	5,475	3,844	3,842	3,985	3,551	5,282	4,676
		73	125	134	143	141	284	799	2,314	1,331
					240	240	240	252	265	499
					2,461	2,461	2,461	2,500	2,703	2,846
		2,511	2,863	5,341	1,000	1,000	1,000	–	–	–
Special Support Councillors Remunaration								–	–	–
District Municipality:		692	–	–	–	–	–	–	–	–
Share Services		692								
Provincial Transfers:		–	–	–	–	–	–	–	–	–
Library										
Total operating expenditure of Transfers and Grants		31,843	35,154	45,775	43,492	43,490	43,633	47,314	51,646	53,770
Capital expenditure of Transfers and Grants										
National Government:		9,553	15,796	21,605	19,912	18,912	19,912	21,415	22,428	23,268
Municipal Infrastructure Grant (MIG)		6,553	11,977	21,605	18,912	18,912	18,912	21,415	22,428	23,268
		–	2,562							
		3,000								
			1,257							
Other capital transfers/grants [DME]		–	–	–	1,000	–	1,000	–	–	–
Provincial Government:		–	12,618	–	–	15,000	15,000	–	–	–
Other capital transfers/grants [Mandela Capture Site]		–	12,618	–	–	15,000	15,000	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Share Services		–	–	–	–	–	–	–	–	–
Provincial Transfers:		–	–	–	–	–	–	–	–	–
Library		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		9,553	28,414	21,605	19,912	33,912	34,912	21,415	22,428	23,268
TOTAL EXPENDITURE OF TRANSFERS AND GRANT		41,396	63,568	67,380	63,404	77,402	78,545	68,729	74,074	77,038

Table 40 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		1,318	2,065	2,543	–	2,543	–			
Current year receipts		28,567	–	–	–	–	–	–	–	
Conditions met - transferred to revenue		29,885	2,065	2,543	–	2,543	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–		–	–	–			
Provincial Government:										
Balance unspent at beginning of the year		1,547	831	10,271	–	10,271	–			
Current year receipts		2,584	2,935	–	–	–	–	–	–	
Conditions met - transferred to revenue		4,131	3,766	10,271	–	10,271	–	–	–	–
Conditions still to be met - transferred to liabilities					–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year					–	–	–	–	–	–
Current year receipts		692			–	–	–	–	–	–
Conditions met - transferred to revenue		692	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities					–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		468			–	–	–	–	–	–
Current year receipts					–	–	–	–	–	–
Conditions met - transferred to revenue		468	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		35,176	5,831	12,814	–	12,814	–	–	–	–
Total operating transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		13,757			–	–	–	–	–	–
Current year receipts		9,553			–	–	–	–	–	–
Conditions met - transferred to revenue		23,310	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year		9,834								
Current year receipts		5,500								
Conditions met - transferred to revenue		15,334	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		38,644	–	–	–	–	–	–	–	–
Total capital transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		73,820	5,831	12,814	–	12,814	–	–	–	–
TOTAL TRANSFERS AND GRANTS - CTBM		–	–	–	–	–	–	–	–	–

2.8 Councillor and employee benefits

Table 41 MBRR SA22 - Summary of councillor and staff benefits

KZN222 uMngeni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4,198	5,198	5,465	5,836	5,836	5,836	6,127	6,495	6,820
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		–	–	–	–	–	–	–	–	–
Cellphone Allowance		–	–	–	–	–	–	–	–	–
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		–	–	–	–	–	–	–	–	–
Sub Total - Councillors		4,198	5,198	5,465	5,836	5,836	5,836	6,127	6,495	6,820
% increase	4		23.8%	5.1%	6.8%	–	–	5.0%	6.0%	5.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		7,106	3,140	4,096	6,508	6,607	6,607	6,053	6,440	6,853
Pension and UIF Contributions		–	–	–	–	–	–	11	11	12
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	–	–	–	–	–	–	168	173	191
Cellphone Allowance	3	–	–	–	–	–	–	114	121	129
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	–	–	–	–	–	–	62	65	70
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		7,106	3,140	4,096	6,508	6,607	6,607	6,408	6,812	7,254
% increase	4		(55.8%)	30.4%	58.9%	1.5%	–	(3.0%)	6.3%	6.5%
Other Municipal Staff										
Basic Salaries and Wages		42,961	49,578	46,337	45,718	45,960	45,960	47,381	50,413	53,640
Pension and UIF Contributions		8,438	6,463	7,312	9,564	10,197	10,197	8,013	8,526	9,071
Medical Aid Contributions		825	2,542	2,669	3,905	3,538	3,538	4,354	4,633	4,929
Overtime		3,551	3,582	3,935	2,796	2,929	2,929	3,611	3,842	4,087
Performance Bonus		3,892			–	–	–	–	–	–
Motor Vehicle Allowance	3	818	806	534	539	1,655	1,655	3,073	3,270	3,479
Cellphone Allowance	3	59	62	47	61	216	216	330	351	374
Housing Allowances	3	205	229	203	300	278	278	357	380	404
Other benefits and allowances	3	76	10,006	14,171	3,551	733	733	815	848	996
Payments in lieu of leave					4,601	4,601	4,601	5,746	4,492	4,622
Long service awards					998	998	998	–	–	–
Post-retirement benefit obligations	6				395	395	395	653	688	725
Sub Total - Other Municipal Staff		60,825	73,267	75,209	72,428	71,501	71,501	74,333	77,443	82,329
% increase	4		20.5%	2.6%	(3.7%)	(1.3%)	–	4.0%	4.2%	6.3%
Total Parent Municipality		72,129	81,605	84,770	84,772	83,944	83,944	86,868	90,750	96,403

Table 42 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

KZN222 uMngeni - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4		314,856					314,856
Chief Whip			–					–
Executive Mayor			698,692					698,692
Deputy Executive Mayor			314,856					314,856
Executive Committee			296,219					296,219
Total for all other councillors			4,502,377					4,502,377
Total Councillors	8	–	6,127,000	–	–			6,127,000
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1,390,682					1,390,682
Chief Finance Officer			1,056,190					1,056,190
								–
								–
								–
								–
List of each offical with packages >= senior manager								
General Manager Corporate Services			1,003,566					1,003,566
General Manager Planning & Development			976,932					976,932
General Manager Technical Services			976,932					976,932
General Manager Community Services			1,003,302					1,003,302
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	6,407,604	–	–	–		6,407,604
A Heading for Each Entity	6,7							
List each member of board by designation								
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total for municipal entities	8,10	–	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	12,534,604	–	–	–		12,534,604

Table 43 MBRR SA24 – Summary of personnel numbers

KZN222 uMngeni - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2012/13			Current Year 2013/14			Budget Year 2014/15		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)			23			21			21	
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3			6			6			6
Other Managers	7			28		22			22	
Professionals		–	*6*	–	–	*5*	–	–	*5*	–
Finance										
Spatial/town planning			5			4			4	
Information Technology			1			1			1	
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Technicians		–	*29*	–	–	*29*	–	–	*29*	–
Finance										
Spatial/town planning										
Information Technology										
Roads			29			29			29	
Electricity										
Water										
Sanitation										
Refuse										
Other										
Clerks (Clerical and administrative)			69			77			77	
Service and sales workers			7			13			13	
Skilled agricultural and fishery workers										
Craft and related trades			10			10			10	
Plant and Machine Operators			29			24			29	
Elementary Occupations			183			143			150	
TOTAL PERSONNEL NUMBERS	9	–	356	34	–	344	6	–	356	6
% increase					–	(3.4%)	(82.4%)	–	3.5%	–
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

2.9 Monthly targets for revenue, expenditure and cash flow

Table 44 MBRR SA25 - Budgeted monthly revenue and expenditure

KZN222 uMngeni - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source																
Property rates		15,475	12,238	10,252	10,012	9,594	9,357	9,931	9,238	10,712	9,831	10,067	10,189	126,896	135,348	142,657
Property rates - penalties & collection charges		567	458	436	477	472	463	481	458	477	581	490	640	6,000	6,324	6,666
Service charges - electricity revenue		5,990	6,403	6,924	3,601	6,196	3,142	3,152	3,012	5,161	5,146	4,012	3,398	56,138	60,304	64,778
Service charges - water revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue		381	371	452	390	385	376	395	371	390	395	404	637	4,946	5,291	5,661
Service charges - other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		63	62	56	58	69	71	77	70	89	70	69	88	843	888	936
Interest earned - external investments		72	70	86	74	73	71	75	70	74	75	77	85	900	949	1,000
Interest earned - outstanding debtors		128	98	151	146	165	95	177	170	182	192	163	60	1,728	1,821	1,920
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines		890	860	891	544	642	874	828	860	744	925	855	781	9,694	10,218	10,770
Licences and permits		197	217	161	242	164	168	218	74	191	211	252	199	2,293	2,416	2,547
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		18,000	–	5,000	–	–	1,314	–	–	12,000	5,000	6,000	–	47,314	51,646	53,770
Other revenue		818	798	272	839	428	808	849	485	839	349	601	290	7,375	8,831	7,929
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and cont		42,582	21,575	24,680	16,383	18,188	16,738	16,182	14,810	30,858	22,774	22,991	16,365	264,126	284,037	298,633
Expenditure By Type																
Employee related costs		6,845	6,845	6,845	6,745	6,845	6,745	6,845	6,845	6,845	6,745	6,245	6,346	80,741	84,255	89,583
Remuneration of councillors		510	510	510	510	510	510	510	510	510	510	510	516	6,127	6,495	6,820
Debt impairment		890	997	758	643	710	709	693	607	512	413	495	420	7,847	8,318	8,817
Depreciation & asset impairment		854	833	814	875	865	843	886	833	975	986	959	951	10,675	11,292	11,944
Finance charges		360	351	427	369	364	355	373	351	369	373	382	423	4,499	4,560	4,834
Bulk purchases		6,350	6,191	5,540	5,509	4,429	4,970	4,588	3,991	4,509	6,788	6,747	6,069	65,681	69,622	73,799
Other materials		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services		1,226	820	868	832	729	623	535	520	632	735	740	959	9,219	9,717	10,240
Transfers and grants		959	560	658	487	559	500	380	859	485	401	859	378	7,085	7,899	7,394
Other expenditure		7,035	7,546	7,250	5,451	4,524	4,254	4,325	3,854	4,543	5,246	5,543	7,840	67,411	68,955	73,200
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		25,029	24,653	23,672	21,420	19,535	19,510	19,135	18,371	19,379	22,197	22,481	23,902	259,285	271,113	286,631
Surplus/(Deficit)		17,553	(3,078)	1,008	(5,037)	(1,347)	(2,772)	(2,953)	(3,561)	11,479	577	510	(7,537)	4,841	12,924	12,002
Transfers recognised - capital		5,800	–	–	–	7,824	–	–	–	7,791	–	–	–	21,415	22,428	23,268
Contributions recognised - capital		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		23,353	(3,078)	1,008	(5,037)	6,477	(2,772)	(2,953)	(3,561)	19,270	577	510	(7,537)	26,256	35,352	35,270
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	23,353	(3,078)	1,008	(5,037)	6,477	(2,772)	(2,953)	(3,561)	19,270	577	510	(7,537)	26,256	35,352	35,270

Table 45 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

KZN222 uMngeni - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote																
Vote 1 - Executive and Council		12,550	12,236	14,903	12,863	12,706	12,393	13,020	12,236	12,863	13,020	13,334	23,916	166,040	178,488	186,772
Vote 2 - Finance		1,600	297	192	234	202	200	195	305	192	202	202	244	4,068	4,268	4,479
Vote 3 - Corporate Services		88	103	105	142	156	114	152	89	163	68	89	65	1,334	1,409	1,489
Vote 4 - Planning Services		58	57	69	59	59	57	60	57	59	60	62	68	724	764	805
Vote 5 - Community Services		1,393	4,231	933	874	652	1,084	1,957	120	1,118	1,473	1,699	935	16,469	18,876	18,835
Vote 6 - Technical Services		1,111	1,083	1,319	1,139	1,125	1,097	1,152	1,083	1,139	1,152	1,180	1,495	14,074	14,046	14,793
Vote 7 - Economic Development and Growth		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Internal Audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Electricity		7,999	5,012	7,377	4,021	7,813	4,012	6,184	4,313	3,125	3,456	3,125	4,981	61,417	66,185	71,461
Vote 10 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		24,798	23,019	24,898	19,333	22,713	18,956	22,720	18,202	18,659	19,432	19,690	31,705	264,126	284,037	298,633
Expenditure by Vote to be appropriated																
Vote 1 - Executive and Council		2,948	2,875	3,501	2,424	2,985	2,912	2,501	2,875	2,315	3,059	2,153	2,340	32,889	33,947	53,632
Vote 2 - Finance		1,734	1,691	2,059	1,777	1,756	1,712	1,799	1,691	1,777	1,799	1,842	4,486	24,125	21,028	22,268
Vote 3 - Corporate Services		1,622	1,581	1,926	1,662	1,642	1,602	1,683	1,581	1,662	1,683	1,723	790	19,159	20,291	21,491
Vote 4 - Planning Services		536	680	633	560	575	579	516	564	561	572	576	1,467	7,819	8,312	8,835
Vote 5 - Community Services		2,430	2,369	2,885	2,491	2,460	2,399	2,521	2,369	2,491	2,521	2,582	5,065	32,583	36,091	37,227
Vote 6 - Technical Services		5,775	6,680	4,482	3,869	4,822	3,728	3,916	3,680	3,869	3,916	4,011	7,927	56,675	58,978	43,789
Vote 7 - Economic Development and Growth		169	232	269	280	206	166	167	168	301	184	181	221	2,544	2,703	2,873
Vote 8 - Internal Audit		48	47	57	49	48	47	50	47	49	50	51	188	729	775	823
Vote 9 - Electricity		7,201	6,901	7,102	4,927	6,458	7,637	3,450	7,540	7,927	7,524	8,217	7,876	82,762	88,988	95,693
Vote 10 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		22,463	23,057	22,916	18,039	20,953	20,782	16,604	20,516	20,952	21,307	21,336	30,361	259,285	271,113	286,631
Surplus/(Deficit) before assoc.		2,335	(37)	1,982	1,294	1,760	(1,825)	6,117	(2,314)	(2,293)	(1,875)	(1,646)	1,344	4,841	12,924	12,002
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	2,335	(37)	1,982	1,294	1,760	(1,825)	6,117	(2,314)	(2,293)	(1,875)	(1,646)	1,344	4,841	12,924	12,002

Table 46 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

KZN222 uMngeni - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard																
Governance and administration		14,250	12,617	15,201	13,176	13,001	12,679	13,367	12,630	13,122	13,290	13,625	24,195	171,152	183,860	192,417
Executive and council		12,550	12,236	14,903	12,863	12,706	12,393	13,020	12,236	12,863	13,020	13,334	23,916	166,040	178,488	186,772
Budget and treasury office		1,600	297	192	234	202	200	195	305	192	202	202	244	4,068	4,268	4,479
Corporate services		100	83	106	78	92	87	152	89	66	68	89	34	1,045	1,104	1,167
Community and public safety		1,685	1,929	1,280	1,172	1,346	1,373	1,182	1,063	1,412	1,776	438	2,141	16,797	19,221	19,200
Community and social services		316	308	375	324	320	312	328	308	324	328	336	372	3,952	5,683	4,930
Sport and recreation		–	0	1	0	1	0	1	1	1	0	0	1	6	7	7
Public safety		1,369	1,620	904	848	1,026	1,060	852	754	1,087	1,447	102	1,769	12,839	13,532	14,263
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		58	1,630	69	996	984	57	60	57	59	60	62	68	4,159	3,330	3,376
Planning and development		58	57	69	59	59	57	60	57	59	60	62	68	724	764	805
Road transport		–	1,574	–	936	925	–	–	–	–	–	–	–	3,435	2,566	2,571
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		8,193	5,201	7,607	4,220	8,009	4,204	6,386	4,502	3,323	3,657	3,331	13,383	72,017	77,625	83,640
Electricity		7,999	5,012	7,377	4,021	7,813	4,012	6,184	4,313	3,125	3,456	3,125	4,981	61,417	66,185	71,461
Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	22	22	24	25
Waste management		194	189	230	199	197	192	201	189	199	201	206	8,380	10,578	11,416	12,153
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Standard		24,185	21,377	24,158	19,564	23,340	18,313	20,994	18,251	17,917	18,784	17,456	39,787	264,126	284,037	298,633
Expenditure - Standard																
Governance and administration		6,304	6,147	7,487	5,863	6,383	6,226	5,983	6,147	5,754	6,541	5,719	11,668	80,223	78,055	100,353
Executive and council		2,948	2,875	3,501	2,424	2,985	2,912	2,501	2,875	2,315	3,059	2,153	1,004	31,552	32,525	52,119
Budget and treasury office		1,734	1,691	2,059	1,777	1,756	1,712	1,799	1,691	1,777	1,799	1,842	6,393	26,032	21,535	22,802
Corporate services		1,622	1,581	1,926	1,662	1,642	1,602	1,683	1,581	1,662	1,683	1,723	4,271	22,639	23,995	25,431
Community and public safety		2,691	3,158	3,084	3,188	3,431	3,020	3,052	3,479	3,549	3,141	2,931	5,796	40,520	44,849	46,525
Community and social services		1,323	1,289	1,070	1,356	1,339	1,306	1,372	1,289	1,356	1,372	1,405	1,884	16,362	19,206	19,304
Sport and recreation		741	723	880	760	751	732	769	723	760	769	788	1,579	9,974	10,592	11,249
Public safety		568	1,088	1,063	1,012	1,281	923	849	1,409	1,373	938	675	1,684	12,864	13,649	14,482
Housing		59	58	70	61	60	59	61	58	61	61	63	648	1,319	1,402	1,490
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		2,822	2,751	910	2,892	2,857	2,787	2,628	2,751	2,492	2,828	2,998	2,594	31,311	33,183	16,354
Planning and development		596	581	708	611	604	589	619	581	611	619	634	968	7,722	8,209	8,727
Road transport		2,225	2,170	202	2,281	2,253	2,198	2,009	2,170	1,881	2,209	2,365	1,626	23,588	24,974	7,627
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		8,422	8,091	8,551	6,178	7,694	8,842	4,716	8,730	9,178	8,790	9,414	18,556	107,163	114,953	123,322
Electricity		7,201	6,901	7,102	4,927	6,458	7,637	3,450	7,540	7,927	7,524	8,217	7,876	82,762	88,988	95,693
Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		528	514	626	541	534	521	547	514	541	547	561	3,073	9,047	9,608	10,204
Waste management		693	676	823	710	702	684	719	676	710	719	636	7,608	15,354	16,357	17,425
Other		6	5	7	6	6	5	6	5	6	6	6	7	69	73	77
Total Expenditure - Standard		20,244	20,153	20,038	18,128	20,371	20,880	16,385	21,113	20,980	21,305	21,068	38,621	259,285	271,113	286,631
Surplus/(Deficit) before assoc.		3,941	1,223	4,120	1,436	2,969	(2,567)	4,609	(2,862)	(3,063)	(2,521)	(3,612)	1,167	4,841	12,924	12,002
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	3,941	1,223	4,120	1,436	2,969	(2,567)	4,609	(2,862)	(3,063)	(2,521)	(3,612)	1,167	4,841	12,924	12,002

Table 47 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

KZN222 uMngeni - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Multi-year expenditure *to be appropriated*	1															
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Planning Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Technical Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Economic Development and Growth		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Internal Audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Single-year expenditure *to be appropriated*																
Vote 1 - Executive and Council			–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance			–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services			–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Planning Services			–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services		–	–	–	1,000	–	–	1,000	–	500	–	–	–	2,500	3,400	–
Vote 6 - Technical Services		–	–	5,000	–	8,600	–	–	6,915	–	–	–	–	20,515	19,028	23,268
Vote 7 - Economic Development and Growth			–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Internal Audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	11,000	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	–	–	5,000	1,000	8,600	–	1,000	6,915	500	–	–	–	23,015	33,428	23,268
Total Capital Expenditure	2	–	–	5,000	1,000	8,600	–	1,000	6,915	500	–	–	–	23,015	33,428	23,268

Table 48 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

KZN222 uMngeni - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital Expenditure - Standard	1															
Governance and administration		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Budget and treasury office		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Corporate services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		–	–	–	1,000	–	–	1,000	–	500	–	–	–	2,500	3,400	–
Community and social services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	1,000	–	–	1,000	–	500	–	–	–	2,500	3,400	–
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		–	–	5,000	–	7,000	–	–	6,915	–	–	–	–	18,915	19,028	23,268
Planning and development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Road transport		–	–	5,000	–	7,000	–	–	6,915	–	–	–	–	18,915	19,028	23,268
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		–	–	–	–	1,600	–	–	–	–	–	–	–	1,600	11,000	–
Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	11,000	–
Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	1,600	–	–	–	–	–	–	–	1,600	–	–
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Standard	2	–	–	5,000	1,000	8,600	–	1,000	6,915	500	–	–	–	23,015	33,428	23,268
Funded by:																
National Government				5,000	1,000	7,000		1,000	6,915	500			–	21,415	22,428	23,268
Provincial Government													–	–	–	–
District Municipality													–	–	–	–
Other transfers and grants													–	–	–	–
Transfers recognised - capital		–	–	5,000	1,000	7,000	–	1,000	6,915	500	–	–	–	21,415	22,428	23,268
Public contributions & donations													–	–	–	–
Borrowing													–	–	–	–
Internally generated funds					–	1,600	–						–	1,600	11,000	–
Total Capital Funding		–	–	5,000	1,000	8,600	–	1,000	6,915	500	–	–	–	23,015	33,428	23,268

Table 49 MBRR SA30 - Budgeted monthly cash flow

KZN222 uMngeni - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Receipts By Source													1		
Property rates	12,215	9,673	9,470	9,079	8,469	13,122	7,152	10,268	9,848	9,079	8,202	7,629	114,206	124,520	131,244
Property rates - penalties & collection charges	558	550	497	345	358	398	401	494	594	458	358	389	5,400	5,818	6,133
Service charges - electricity revenue	4,773	4,852	5,215	3,574	4,773	3,660	4,773	4,912	2,212	4,901	3,012	3,867	50,524	55,480	59,596
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	365	345	349	549	346	476	365	346	301	301	299	411	4,451	4,868	5,208
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	75	75	55	55	55	65	65	65	55	65	55	70	759	817	861
Interest earned - external investments	103	105	99	–	154	–	–	178	–	105	–	156	900	949	1,000
Interest earned - outstanding debtors	144	101	132	147	144	103	104	109	110	121	198	142	1,555	1,710	1,766
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–		–	–
Fines	1,032	832	532	332	832	1,032	632	1,132	832	1,032	632	842	9,694	10,218	10,770
Licences and permits	191	201	199	147	191	201	158	108	103	104	248	442	2,293	2,416	2,547
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer receipts - operational	20,000	150	–	–	15,247	–	–	485	11,433	–	–	–	47,314	51,646	53,770
Other revenue	810	670	255	880	630	340	800	390	860	710	290	7	6,638	8,125	7,295
Cash Receipts by Source	40,266	17,554	16,803	15,108	31,198	19,396	14,450	18,487	26,348	16,876	13,294	13,954	243,734	266,566	280,190
Other Cash Flows by Source															
Transfer receipts - capital	–	10,000	–	–	–	–	–	–	8,456	–	2,959	–	21,415	22,428	23,268
Contributions recognised - capital & Contributed a	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivable	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	40,266	27,554	16,803	15,108	31,198	19,396	14,450	18,487	34,804	16,876	16,253	13,954	265,149	288,994	303,458
Cash Payments by Type															
Employee related costs	6,845	6,845	5,845	6,745	6,845	6,745	6,845	6,845	6,845	6,745	6,245	7,346	80,741	84,255	89,583
Remuneration of councillors	510	510	510	510	510	510	510	510	510	510	510	516	6,127	6,495	6,820
Finance charges	201	–	1,170	200	–	1,260	540	–	450	500	–	178	4,499	4,560	4,834
Bulk purchases - Electricity	6,350	7,191	2,540	5,509	4,429	4,970	4,588	4,991	6,509	7,788	6,747	4,069	65,681	69,622	73,799
Bulk purchases - Water & Sewer	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services	1,226	820	868	832	729	623	535	520	632	735	740	959	9,219	9,717	10,240
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	959	560	658	487	559	500	380	859	485	401	859	378	7,085	7,899	7,394
Other expenditure	7,035	6,546	3,250	4,451	5,524	4,254	4,325	5,854	8,543	5,246	5,543	5,491	66,063	67,576	71,736
Cash Payments by Type	23,126	22,473	14,842	18,734	18,596	18,863	17,723	19,580	23,973	21,924	20,644	18,937	239,415	250,124	264,406
Other Cash Flows/Payments by Type															
Capital assets	2,570	2,570	4,048	2,501	5,146	–	–	4,782	–	1,397	–	1	23,015	33,428	22,268
Repayment of borrowing	625	–	–	625	–	–	625	–	–	625	–	–	2,500	1,500	2,600
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	26,321	25,043	18,890	21,860	23,743	18,863	18,348	24,362	23,973	23,947	20,644	18,938	264,930	285,052	289,274
NET INCREASE/(DECREASE) IN CASH HELD	13,945	2,512	(2,087)	(6,752)	7,455	533	(3,897)	(5,875)	10,831	(7,071)	(4,391)	(4,984)	219	3,942	14,184
Cash/cash equivalents at the month/year begin:	979	14,924	17,436	15,349	8,597	16,052	16,586	12,688	6,813	17,644	10,573	6,182	979	1,198	5,140
Cash/cash equivalents at the month/year end:	14,924	17,436	15,349	8,597	16,052	16,586	12,688	6,813	17,644	10,573	6,182	1,198	1,198	5,140	19,325

2.10 Annual budgets and Service Delivery Budget Implementation Plan – internal department

In terms of section 53(1)(c)(ii) the Mayor must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget. The draft organisational SDBIP together with the departmental SDBIP's will be included in the final budget document

2.11 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, the following contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

Table 52 MBRR SA32 – List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
GNG			Debt Collection	31/10/2015	10% prof fee
TMJ			Debt Collection	31/10/2015	10% prof fee
NCIS			Debt Collection	31/10/2015	10% prof fee
Mathew Francis			Debt Collection	31/10/2015	10% prof fee
Indwe Risks Services			Short Term Insurance	30/06/2015	316
Ntshidi & Associates			Vat Assessment Service	30/11/2014	0
Walton's			Supply & Delivery of Stationery	28/02/2013	4
Indwe Risks Services			Supply & Delivery of Refuse Bags	28/02/2014	102
Metgovis (Pty) Ltd			Metval Property Magt. System	31/12/2013	270
Bytes (Pty) Ltd			Bytes	30/06/2014	31
Siqu Consulting Engineers			Civil Project Managers	30/06/2015	0
Excellent @ Work			Civil Project Managers	30/06/2015	0
Sukuma Consulting			Civil Project Managers	30/06/2015	0
Asande Projects			Electrical Project Managers	30/06/2015	0
Ntsumi Telecommunications			MMS Sent Statements for Municipal Accounts	30/08/2016	–
Sealcoat Surfacing & Asphalt			Upgrading Residential Roads in Mpophomeni	30/12/2013	3,500
Fidelity Cash Solutions			Cash In-Transit	30/09/2016	271
Tevtal Technology			Supply and Installation of a Credit Control Web Softw	30/11/2016	200

2.11 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 53 MBRR SA 34a - Capital expenditure on new assets by asset class

KZN222 uMngeni - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		–	–	–	18,912	23,036	23,036	20,515	19,028	23,268
Infrastructure - Road transport		–	–	–	18,912	23,036	23,036	18,915	19,028	23,268
Roads, Pavements & Bridges		–	–	–	18,912	23,036	23,036	18,915	19,028	23,268
Storm water		–	–	–	–	–	–	–	–	–
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Generation		–	–	–	–	–	–	–	–	–
Transmission & Reticulation		–	–	–	–	–	–	–	–	–
Street Lighting		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Dams & Reservoirs		–	–	–	–	–	–	–	–	–
Water purification		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Sewerage purification		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	1,600	–	–
Waste Management		–	–	–	–	–	–	1,600	–	–
Transportation	2	–	–	–	–	–	–	–	–	–
Gas		–	–	–	–	–	–	–	–	–
Other	3	–	–	–	–	–	–	–	–	–
Community		–	–	–	6,260	6,010	6,010	2,100	5,300	–
Parks & gardens		–	–	–	–	–	–	–	–	–
Sportsfields & stadia		–	–	–	2,750	2,500	2,500	1,500	3,400	–
Swimming pools		–	–	–	–	–	–	–	–	–
Community halls		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Recreational facilities		–	–	–	–	–	–	–	–	–
Fire, safety & emergency		–	–	–	–	–	–	–	–	–
Security and policing		–	–	–	–	–	–	–	–	–
Buses	7	–	–	–	–	–	–	–	–	–
Clinics		–	–	–	–	–	–	–	–	–
Museums & Art Galleries		–	–	–	–	–	–	–	–	–
Cemeteries		–	–	–	–	–	–	–	–	–
Social rental housing	8	–	–	–	–	–	–	–	–	–
Other		–	–	–	3,510	3,510	3,510	600	1,900	–
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings		–	–	–	–	–	–	–	–	–
Other	9	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Housing development		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Other assets		–	–	–	5,690	5,690	5,742	400	–	–
General vehicles		–	–	–	–	–	–	–	–	–
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment		–	–	–	–	–	–	100	–	–
Computers - hardware/equipment		–	–	–	800	800	800	300	–	–
Furniture and other office equipment		–	–	–	4,890	4,890	4,942	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Civic Land and Buildings		–	–	–	–	–	–	–	–	–
Other Buildings		–	–	–	–	–	–	–	–	–
Other Land		–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)										
Other		–	–	–	–	–	–	–	–	–
Agricultural assets		–	–	–	–	–	–	–	–	–
Agricultural 1		–	–	–	–	–	–	–	–	–
Agricultural 2		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Biological 1		–	–	–	–	–	–	–	–	–
Biological 2		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	1	–	–	–	30,862	34,736	34,788	23,015	24,328	23,268

Specialised vehicles		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Fire		–	–	–	–	–	–	–	–	–
Conservancy		–	–	–	–	–	–	–	–	–
Ambulances		–	–	–	–	–	–	–	–	–

Table 54 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

KZN222 uMngeni - Supporting Table SA34b Consolidated capital expenditure on existing assets by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		17,297	–	–	–	–	–	–	–	–
Infrastructure - Road transport		13,346	–	–	–	–	–	–	–	–
Roads, Pavements & Bridges		13,346	–	–	–	–	–	–	–	–
Storm water		–	–	–	–	–	–	–	–	–
Infrastructure - Electricity		2,867	–	–	–	–	–	–	–	–
Generation		–	–	–	–	–	–	–	–	–
Transmission & Reticulation		2,867	–	–	–	–	–	–	–	–
Street Lighting		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Dams & Reservoirs		–	–	–	–	–	–	–	–	–
Water purification		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Sewerage purification		–	–	–	–	–	–	–	–	–
Infrastructure - Other		1,084	–	–	–	–	–	–	–	–
Waste Management		1,084	–	–	–	–	–	–	–	–
Transportation	2	–	–	–	–	–	–	–	–	–
Gas		–	–	–	–	–	–	–	–	–
Other	3	–	–	–	–	–	–	–	–	–
Community		480	–	–	–	–	–	–	–	–
Parks & gardens		27	–	–	–	–	–	–	–	–
Sportsfields & stadia		–	–	–	–	–	–	–	–	–
Swimming pools		–	–	–	–	–	–	–	–	–
Community halls		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Recreational facilities		–	–	–	–	–	–	–	–	–
Fire, safety & emergency		–	–	–	–	–	–	–	–	–
Security and policing		–	–	–	–	–	–	–	–	–
Buses	7	–	–	–	–	–	–	–	–	–
Clinics		9	–	–	–	–	–	–	–	–
Museums & Art Galleries		–	–	–	–	–	–	–	–	–
Cemeteries		–	–	–	–	–	–	–	–	–
Social rental housing	8	–	–	–	–	–	–	–	–	–
Other		444	–	–	–	–	–	–	–	–
Heritage assets		3,780	–	–	–	–	–	–	–	–
Buildings		3,780	–	–	–	–	–	–	–	–
Other	9	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Housing development		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Other assets		–	–	–	–	–	–	–	–	–
General vehicles		–	–	–	–	–	–	–	–	–
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment		–	–	–	–	–	–	–	–	–
Computers - hardware/equipment		–	–	–	–	–	–	–	–	–
Furniture and other office equipment		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Civic Land and Buildings		–	–	–	–	–	–	–	–	–
Other Buildings		–	–	–	–	–	–	–	–	–
Other Land		–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Agricultural assets		–	–	–	–	–	–	–	–	–
Agricultural 1		–	–	–	–	–	–	–	–	–
Agricultural 2		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Biological 1		–	–	–	–	–	–	–	–	–
Biological 2		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing	1	21,557	–	–	–	–	–	–	–	–

Specialised vehicles		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Fire		–	–	–	–	–	–	–	–	–
Conservancy		–	–	–	–	–	–	–	–	–
Ambulances		–	–	–	–	–	–	–	–	–

Table 55 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		–	–	–	21,100	7,078	7,078	14,536	15,441	16,402
Infrastructure - Road transport		–	–	–	10,930	2,342	2,342	9,972	10,620	11,310
Roads, Pavements & Bridges		–	–	–	7,900	1,312	1,312	6,660	7,117	7,607
Storm water					3,030	1,030	1,030	3,313	3,502	3,703
Infrastructure - Electricity		–	–	–	8,310	2,876	2,876	4,564	4,821	5,093
Generation										
Transmission & Reticulation		–	–	–	8,310	2,876	2,876	4,564	4,821	5,093
Street Lighting		–	–	–	–	–	–		–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Dams & Reservoirs										
Water purification										
Reticulation		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Reticulation										
Sewerage purification										
Infrastructure - Other		–	–	–	1,860	1,860	1,860	–	–	–
Waste Management		–	–	–	–	–	–			–
Transportation	2	–	–	–	–	–	–	–	–	–
Gas		–	–	–	–	–	–	–	–	–
Other	3	–	–	–	1,860	1,860	1,860	–	–	–
Community		–	–	–	7,557	2,557	2,557	8,365	8,158	8,360
Parks & gardens		–	–	–	800	800	800	1,329	1,401	1,476
Sportsfields & stadia		–	–	–	–	–	–	–	–	–
Swimming pools					–	–	–	–	–	–
Community halls					160	160	160	39	42	45
Libraries					116	116	116	538	67	61
Recreational facilities					–	–	–	–	–	–
Fire, safety & emergency					165	165	165	46	48	51
Security and policing					231	231	231	245	262	280
Buses	7				–	–	–	–	–	–
Clinics					–	–	–	–	–	–
Museums & Art Galleries					574	574	574	68	73	78
Cemeteries					60	60	60	617	430	454
Social rental housing	8				60	60	60	5	6	6
Other					5,391	391	391	5,478	5,829	5,908
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings										
Other	9	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Housing development										
Other		–	–	–	–	–	–	–	–	–
Other assets		–	–	–	–	–	–	–	–	–
General vehicles		–	–	–	–	–	–	–	–	–
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		–	–	–	–	–	–		–	–
Agricultural assets		–	–	–	–	–	–	–	–	–
Agricultural 1		–	–	–	–	–	–	–	–	–
Agricultural 2										
Biological assets		–	–	–	–	–	–	–	–	–
Biological 1		–	–	–	–	–	–	–	–	–
Biological 2										
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming										
Other *(list sub-class)*										
Total Repairs and Maintenance Expenditure	1	–	–	–	28,657	9,635	9,635	22,902	23,599	24,762

Table 56 MBRR SA35 - Future financial implications of the capital budget

KZN222 uMngeni - Supporting Table SA35 Consolidated future financial implications of the capital budget

Vote Description	Ref	2014/15 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Present value
Capital expenditure	1							
Vote 1 - Executive and Council		–	–	–				
Vote 2 - Finance		–	–	–				
Vote 3 - Corporate Services		–	–	–				
Vote 4 - Planning Services		–	–	–				
Vote 5 - Community Services		2,500	3,400	–				
Vote 6 - Technical Services		20,515	19,028	23,268				
Vote 7 - Economic Development and Growth		–	–	–				
Vote 8 - Internal Audit		–	–	–				
Vote 9 - Electricity		–	11,000	–				
Vote 10 -		–	–	–				
Vote 11 -		–	–	–				
Vote 12 -		–	–	–				
Vote 13 -		–	–	–				
Vote 14 -		–	–	–				
Vote 15 -		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		23,015	33,428	23,268	–	–	–	–
Future operational costs by vote	2							
Vote 1 - Executive and Council								
Vote 2 - Finance								
Vote 3 - Corporate Services								
Vote 4 - Planning Services								
Vote 5 - Community Services								
Vote 6 - Technical Services								
Vote 7 - Economic Development and Growth								
Vote 8 - Internal Audit								
Vote 9 - Electricity								
Vote 10 -								
Vote 11 -								
Vote 12 -								
Vote 13 -								
Vote 14 -								
Vote 15 -								
List entity summary if applicable								
Total future operational costs		–	–	–	–	–	–	–
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		23,015	33,428	23,268	–	–	–	–

Table 57 MBRR SA36 - Detailed capital budget per municipal vote

KZN222 uMngeni - Supporting Table SA36 Consolidated detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4			2	6	3	3	5		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
Parent municipality:																
List all capital projects grouped by Municipal Vote																
Mpophomeni Road and Stormwater											4,484	10,000		12,000	Ward8,10,11&9	New
Main Road Howick											1,428	1,000			Ward 1,2	Renewal
Main Road 390 Taxi Facility										26,774	500	–				
Mainroad AFA Surfacing											5,000	–				
Midlands Road											1,000	1,500	5,000	8,000	Ward 4,12,1	New
Mpophomeni Ward 8,10 and 11												6,415	10,000		Ward 8,10 &11	Renewal
Khayelitsha Road and Stormwater											4,000					
Mandela Capture Site											15,000					
Khayelitsha Roads												–	4,028	3,268		
Mpophomeni Sportsfield											2,500	2,500	1,400		Ward 9	New
Electrification											2,500	–	11,000			
Electrification to Prepaid											1,000					
Install Bundle Conductor													2,000			
Indoor Centre Phase 11												–	–			
Parent Capital expenditure	1											21,415	33,428	23,268		

Table 58 MBRR SA37 - Projects delayed from previous financial year

Municipal Vote/Capital project R thousand	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	Current Year 2013/14 Original Budget	Current Year 2013/14 Full Year Forecast	2014/15 Medium Term Revenue & Expenditure Framework Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Parent municipality:												
List all capital projects grouped by Municipal Vote				*Examples*	*Examples*							
Mpophomeni Sportsfield												
Howick Main Road												
Entities:												
List all capital projects grouped by Municipal Entity												
Entity Name												
Project name												

Municipal Vote/Capital project R thousand	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	Current Year 2012/13 Original Budget	Current Year 2012/13 Full Year Forecast	2013/14 Medium Term Revenue & Expenditure Framework Budget Year 2013/14	Budget Year + 1 2014/15	Budget Year +2 2015/16
Parent municipality:												
List all capital projects grouped by Municipal Vote				*Examples*	*Examples*							
Entities:												
List all capital projects grouped by Municipal Entity												
Entity Name												
Project name												

2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
   Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.

2. Internship programme
   The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the Municipality has successfully employed and trained 10 interns through this programme and a majority of them were appointed either in uMngeni Municipality or other municipalities.

3. Budget and Treasury Office
   The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee
   An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan
   The detail SDBIP document is at a draft stage and will be finalised after approval of the 2014/15 MTREF in June 2014 directly aligned and informed by the 2014/15 MTREF.

6. Annual Report
   Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training
   The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.

8. Policies
   An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

2.14 Other supporting documents

Table 59 MBRR Table SA1 - Supporting detail to budgeted financial performance

KZN222 uMngeni - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		132,344	150,056	146,636	161,734	155,537	155,537	155,537	176,083	187,191	197,299
less Revenue Foregone		55,596	58,932	45,734	43,800	43,800	43,800	43,800	49,187	51,843	54,642
Net Property Rates		76,748	91,124	100,902	117,934	111,737	111,737	111,737	126,896	135,348	142,657
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		36,332	50,446	54,338	67,785	66,185	66,185	66,185	59,022	63,390	68,080
less Revenue Foregone				5,620	2,510	2,510	2,510	2,510	2,884	3,086	3,302
Net Service charges - electricity revenue		36,332	50,446	48,718	65,275	63,675	63,675	63,675	56,138	60,304	64,778
Service charges - water revenue	6										
Total Service charges - water revenue											
less Revenue Foregone											
Net Service charges - water revenue		–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue											
Total Service charges - sanitation revenue											
less Revenue Foregone											
Net Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	6										
Total refuse removal revenue		10,232	8,190	7,809	8,760	8,760	8,760	8,760	9,755	10,438	11,168
Total landfill revenue					46	55	55	55	59	62	65
less Revenue Foregone		–	–	–	4,356	4,356	4,356	4,356	4,867	5,208	5,573
Net Service charges - refuse revenue		10,232	8,190	7,809	4,450	4,459	4,459	4,459	4,946	5,291	5,661
Other Revenue by source											
BUILDING PLAN FEES		1,231	1,419	1,297	1,556	1,716	1,716	1,716	1,812	1,910	1,914
RENTAL		261	0	0	–	850	850	850	901	950	1,001
SHARED SERVICES		277	772	505	1,293	502	502	502	530	559	589
RECONNECTION FEES		406	241	628	898	449	449	449	476	509	545
RATES CERTIFICATES		–	–	–		438	438	438	465	497	532
MISCELLANEOUS INCOME		–	–	–		372	372	372	393	414	415
HALL HIRE		158	192	226	261	250	250	250	267	281	296
LGSETA		216	95		149	149	149	149	157	168	180
BURIAL FEES		68	48	54	57	57	57	57	60	64	67
STOP ORDER COMMISSION		–	–	–	–	31	31	31	33	35	38
HIRE MEETING ROOM		–	–	–	–	22	22	22	23	25	26
Other Revenue	3	29,560	19,890	27,353	12,323	15,854	15,854	15,854	2,257	3,419	2,326
Total 'Other' Revenue	1	32,177	22,657	30,064	16,537	20,691	20,691	20,691	7,375	8,831	7,929

Table 59 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)

SA1 – Continued.

EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	50,067	49,578	50,048	52,225	52,566	52,566	52,566	53,434	57,225	60,894
Pension and UIF Contributions		8,438	3,246	7,711	9,564	10,197	10,197	10,197	8,024	8,526	9,071
Medical Aid Contributions		825	2,542	2,669	3,905	3,538	3,538	3,538	4,354	4,633	4,929
Overtime		3,551	3,582	3,935	2,796	2,930	2,930	2,930	3,611	3,842	4,087
Performance Bonus		3,892	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		818	806	534	539	1,656	1,656	1,656	3,242	3,270	3,479
Cellphone Allowance		–	62	47	61	216	216	216	444	351	374
Housing Allowances		59	229	203	300	278	278	278	357	380	404
Other benefits and allowances		202	5,322	7,358	3,551	733	733	733	815	848	996
Payments in lieu of leave		78	–	2,705	4,601	4,601	4,601	4,601	5,808	4,492	4,622
Long service awards		–	–	–	998	998	998	998	–	–	–
Post-retirement benefit obligations	4	–	7,900	–	395	395	395	395	653	688	725
sub-total	5	67,930	73,267	75,210	78,936	78,108	78,108	78,108	80,741	84,255	89,583
Less: Employees costs capitalised to PPE		–	–	–	–	–	–	–	–	–	–
Total Employee related costs	1	67,930	73,267	75,210	78,936	78,108	78,108	78,108	80,741	84,255	89,583
Contributions recognised - capital											
Contract 1		–									
Contract 2											
Contract 3											
Contract 4											
Contract 5											
[Default]											
Total Contributions recognised - capital		–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		8,727	12,710	58,185	10,108	10,108	10,108	10,108	10,675	11,292	11,944
Lease amortisation						–					
Capital asset impairment						–					
Depreciation resulting from revaluation of PPE	10					–					
Total Depreciation & asset impairment	1	8,727	12,710	58,185	10,108	10,108	10,108	10,108	10,675	11,292	11,944
Bulk purchases											
Electricity Bulk Purchases		38,383	51,625	60,662	69,955	73,453	73,453	73,453	65,681	69,622	73,799
Water Bulk Purchases		–	–	–	–	–	–	–	–	–	–
Total bulk purchases	1	38,383	51,625	60,662	69,955	73,453	73,453	73,453	65,681	69,622	73,799
Transfers and grants											
Cash transfers and grants		–	2,379	5,110	9,752	13,357	13,357	13,357	7,085	7,899	7,394
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Total transfers and grants	1	–	2,379	5,110	9,752	13,357	13,357	13,357	7,085	7,899	7,394

SA1 Continued

Contracted services											
ESKOM		2,019	1,063	1,115	4,000	2,676	2,676	2,676	2,607	2,748	2,897
EPS									2,640	2,783	2,933
PATROLS & SECURITY									2,915	3,073	3,238
POUND SERVICE RENDERED									1,056	1,113	1,173
Contract 5											
Contract 6											
Contract 7											
Contract 8											
Contract 9											
Contract 10											
Contract 11											
Contract 12											
Contract 13											
Contract 14											
Contract 15											
Contract 16											
Contract 17											
Contract 18											
Contract 19											
Contract 20											
Contract 21											
Contract 22											
Contract 23											
Contract 24											
[Default]											
sub-total	1	2,019	1,063	1,115	4,000	2,676	2,676	2,676	9,219	9,717	10,240
Allocations to organs of state:											
Electricity											
Water											
Sanitation											
Other											
Total contracted services		2,019	1,063	1,115	4,000	2,676	2,676	2,676	9,219	9,717	10,240

SA1 Continued.

Other Expenditure By Type											
Collection costs		1,128	1,135	2,596	1,052	1,052	1,052	1,052	658	694	731
Contributions to 'other' provisions		1,384	–	–	1,396	–	–	–	–	–	–
Consultant fees		1,128	1,541	1,020	1,434	550	550	550	1,726	1,819	1,918
Audit fees		969	1,342	847	1,434	1,486	1,486	1,486	1,569	1,654	1,743
General expenses	3	41,576	34,838	10,034	60,734	43,678	43,678	43,678	49,241	54,805	58,272
AGENCY FEES		2,019	1,063	1,115	–	2,676	2,676	2,676	–	–	–
ELECT CONNECTIONS		3,621	4,200	3,081	–	2,500	2,500	2,500	–	–	–
PATROLS & SECURITY		3,892	3,598	2,308	2,219	2,500	2,500	2,500	–	–	–
ELECTRICITY		2,001	4,478	4,017	–	4,513	4,513	4,513	–	–	–
MAINTENANCE OF COMPUTER SERVICES		1,969	1,342	1,847	1,020	1,434	1,434	1,434	331	354	379
LEASE RENTALS ON OPERATING LEASE		2,823	1,187	1,425	–	1,200	1,200	1,200	181	190	201
PURCHASE OF STATIONERY		–	–	–	–	–	–	–	409	431	455
LEGAL FEES		1,200	–	–	739	739	739	739	422	822	866
BANK CHARGES		629	643	831	654	623	623	623	691	728	768
POUND SERVICE RENDERED		–	–	–	5	1,000	1,000	1,000	–	–	–
POSTAGES		894	858	990	840	1,024	1,024	1,024	1,300	1,370	1,444
COMMUNICATION EXPENSE		–	–	–	–	500	500	500	550	600	632
HIRING OF VEHICLE SYS		–	269	269	277	400	400	400	1,226	1,293	1,364
FIRE FIGHTING SERVICE		–	216	200		369	369	369	390	411	433
VALUATION ROLL EXPENSE		–	–	–	–	–	–	–	4,933	702	740
ADVERTISING		410	429	415	421	300	300	300	439	334	352
BANK DEPOSIT SERVICES		–	–	–	–	175	175	175	184	194	205
INSURANCE		715	736	407	711	691	691	691	730	770	810
IDP EXPENDITURE		100	124	103	–	150	150	150	150	158	167
TELEPHONE AND FAX		1,122	1,193	1,179	–	2,742	2,742	2,742	1,331	1,350	1,430
TRAVEL LOCAL		265	289	390	521	106	106	106	800	118	124
APPEALS BOARD EXPENSE		–	–	–	–	100	100	100	150	158	167
Total 'Other' Expenditure	1	67,843	59,479	33,074	73,457	70,506	70,506	70,506	67,411	68,955	73,200

Repairs and Maintenance	8										
Employee related costs											
Other materials											
Contracted Services											
Other Expenditure		38,383	51,625	4,932	28,657	9,635	9,635	9,635	22,902	23,599	24,762
Total Repairs and Maintenance Expenditure	9	38,383	51,625	4,932	28,657	9,635	9,635	9,635	22,902	23,599	24,762

Table 60 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

KZN222 uMngeni - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)

Description	Ref	Vote 1 - Executive and Council	Vote 2 - Finance	Vote 3 - Corporate Services	Vote 4 - Planning Services	Vote 5 - Community Services	Vote 6 - Technical Services	Vote 7 - Economic Development and Growth	Vote 8 - Internal Audit	Vote 9 - Electricity	Vote 10 -	Vote 11 -		Vote 13 -	Vote 14 -	Vote 15 -	Total
R thousand	1																
Revenue By Source																	
Property rates		126,896	–	–	–	–	–	–	–	–	–	–	–	–	–	–	126,896
Property rates - penalties & collection charges		6,000	–	–	–	–	–	–	–	–	–	–	–	–	–	–	6,000
Service charges - electricity revenue		–	–	–	–	–	–	–	–	56,138	–	–	–	–	–	–	56,138
Service charges - water revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue		–	–	–	–	–	4,946	–	–	–	–	–	–	–	–	–	4,946
Service charges - other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		–	–	843	–	–	–	–	–	–	–	–	–	–	–	–	843
Interest earned - external investments		–	900	–	–	–	–	–	–	–	–	–	–	–	–	–	900
Interest earned - outstanding debtors		1,728	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1,728
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines		–	–	–	–	9,694	–	–	–	–	–	–	–	–	–	–	9,694
Licences and permits		–	–	–	–	2,293	–	–	–	–	–	–	–	–	–	–	2,293
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other revenue		629	1,568	492	724	205	2,496	–	–	1,260	–	–	–	–	–	–	7,374
Transfers recognised - operational		31,479	1,600	–	–	3,552	6,632	–	–	4,051	–	–	–	–	–	–	47,314
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and cont		166,732	4,068	1,335	724	15,744	14,074	–	–	61,449	–	–	–	–	–	–	264,126
Expenditure By Type																	
Employee related costs		6,957	13,591	5,188	7,003	15,746	29,541	2,249	466	–	–	–	–	–	–	–	80,741
Remuneration of councillors		6,127	–	–	–	–	–	–	–	–	–	–	–	–	–	–	6,127
Debt impairment		–	–	–	–	–	557	–	–	7,289	–	–	–	–	–	–	7,847
Depreciation & asset impairment		840	4	1,136	59	1,558	4,389	118	75	2,496	–	–	–	–	–	–	10,675
Finance charges		–	–	–	–	–	4,499	–	–	–	–	–	–	–	–	–	4,499
Bulk purchases		–	–	–	–	–	–	–	–	65,681	–	–	–	–	–	–	65,681
Other materials		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services		1,056	–	2,915	–	–	–	–	–	5,247	–	–	–	–	–	–	9,219
Transfers and grants		934	1,600	–	–	3,551	1,000	–	–	–	–	–	–	–	–	–	7,085
Other expenditure		15,998	9,353	8,649	714	9,517	11,528	175	57	11,420	–	–	–	–	–	–	67,411
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		31,912	24,548	17,888	7,776	30,373	51,515	2,541	598	92,134	–	–	–	–	–	–	259,285
Surplus/(Deficit)		134,820	(20,480)	(16,553)	(7,052)	(14,629)	(37,440)	(2,541)	(598)	(30,685)	–	–	–	–	–	–	4,841
Transfers recognised - capital		–	–	–	–	–	21,415	–	–	–	–	–	–	–	–	–	21,415
Contributions recognised - capital		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		134,820	(20,480)	(16,553)	(7,052)	(14,629)	(16,025)	(2,541)	(598)	(30,685)	–	–	–	–	–	–	26,256

Table 61 MBRR Table SA3 – Supporting detail to Statement of Financial Position

KZN222 uMngeni - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS											
Call investment deposits											
Call deposits < 90 days		3,208	2,415	14,849	21,964	41,674	41,674	41,674	39,906	42,301	44,839
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Total Call investment deposits	2	3,208	2,415	14,849	21,964	41,674	41,674	41,674	39,906	42,301	44,839
Consumer debtors											
Consumer debtors		48,125	40,771	35,688	77,892	49,614	49,614	49,614	82,506	70,130	63,117
Less: Provision for debt impairment		–	–	–	–	–	–	–	(1,121)	(1,234)	(1,419)
Total Consumer debtors	2	48,125	40,771	35,688	77,892	49,614	49,614	49,614	81,384	68,896	61,698
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		368,390	613,391	802,926	441,994	802,926	802,926	802,926	829,590	833,383	845,034
Leases recognised as PPE	3	–	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation		–	–	–	–	–	–	–	–	–	–
Total Property, plant and equipment (PPE)	2	368,390	613,391	802,926	441,994	802,926	802,926	802,926	829,590	833,383	845,034
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		2,912	8,880	6,663	950	7,600	7,600	7,600	2,500	1,500	2,600
Current portion of long-term liabilities		–	–	–	–	–	–	–	–	–	–
Total Current liabilities - Borrowing		2,912	8,880	6,663	950	7,600	7,600	7,600	2,500	1,500	2,600
Trade and other payables											
Trade and other creditors		50,194	39,233	26,817	54,233	55	55	55	71	74	78
Unspent conditional transfers		21,750	13,662	12,814	–	–	–	–	–	–	–
VAT		2,359	2,557	2,416	–	–	–	–	–	–	–
Total Trade and other payables	2	74,303	55,452	42,047	54,233	55	55	55	71	74	78
Non current liabilities - Borrowing											
Borrowing	4	41,895	34,059	31,816	34,816	34,816	34,816	34,816	32,316	30,816	28,216
Finance leases (including PPP asset element)		1,601	1,227	564		–	–	–	–	–	–
Total Non current liabilities - Borrowing		43,496	35,286	32,380	34,816	34,816	34,816	34,816	32,316	30,816	28,216
Provisions - non-current											
Retirement benefits		–	–	25,273	–	–	–	–	–	–	–
List other major provision items											
Refuse landfill site rehabilitation		–	–	–	–	–	–	–	–	–	–
Other		25,076	31,024	14,070	4,601	4,601	4,601	4,601	4,835	5,072	5,356
Total Provisions - non-current		25,076	31,024	39,343	4,601	4,601	4,601	4,601	4,835	5,072	5,356
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance											
GRAP adjustments											
Restated balance		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)		16,140	9,502	1,295	31,404	27,829	27,829	27,829	26,256	35,352	35,270
Appropriations to Reserves		–	–	–	–	–	–	–	–	–	–
Transfers from Reserves											
Depreciation offsets		–	–	–	–	–	–	–	–	–	–
Other adjustments					165,829	165,829					
Accumulated Surplus/(Deficit)	1	16,140	9,502	1,295	197,233	193,658	27,829	27,829	26,256	35,352	35,270
Reserves											
Housing Development Fund		15,286	14,847	15,681	–	–	–	–	–	–	–
Capital replacement		–	–	–	–	–	–	–	–	–	–
Self-insurance		–	–	–	–	–	–	–	–	–	–
Other reserves		153,835	151,770	151,770	231,928	231,928	231,928	231,928	237,726	241,292	253,357
Revaluation		–	–	–	–	–	–	–	–	–	–
Total Reserves	2	169,121	166,617	167,451	231,928	231,928	231,928	231,928	237,726	241,292	253,357
TOTAL COMMUNITY WEALTH/EQUITY	2	185,261	176,119	168,747	429,161	425,586	259,757	259,757	263,982	276,644	288,627

Table 62 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

KZN222 uMngeni - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			74	85	92,710	92,710	92,710	92,710	92,710	92,710	92,710	92,710
Females aged 5 - 14			37	43	7,162	7,162	7,162	7,162	7,162	7,162	7,162	7,162
Males aged 5 - 14			36	42	7,368	7,368	7,368	7,368	7,368	7,368	7,368	7,368
Females aged 15 - 34			12	11	17,157	17,157	17,157	17,157	17,157	17,157	17,157	17,157
Males aged 15 - 34					17,759	17,759	17,759	17,759	17,759	17,759	17,759	17,759
Unemployment					9,711	9,711	9,711	9,711	9,711	9,711	9,711	9,711
Monthly household income (no. of households)	1, 12											
No income			1,800	2,100	33,287	33,287	33,287	33,287	33,287	33,287	33,287	33,287
R1 - R1 600			–	–	12,987	12,987	12,987	12,987	12,987	12,987	12,987	12,987
R1 601 - R3 200			–	–	8,575	8,575	8,575	8,575	8,575	8,575	8,575	8,575
R3 201 - R6 400			–	–	4,441	4,441	4,441	4,441	4,441	4,441	4,441	4,441
R6 401 - R12 800			–	–	4,124	4,124	4,124	4,124	4,124	4,124	4,124	4,124
R12 801 - R25 600			–	–	3,130	3,130	3,130	3,130	3,130	3,130	3,130	3,130
R25 601 - R51 200			73,896	84,715	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501
R52 201 - R102 400			–	–	481	481	481	481	481	481	481	481
R102 401 - R204 800			20	21	176	176	176	176	176	176	176	176
R204 801 - R409 600			–	–	94	94	94	94	94	94	94	94
R409 601 - R819 200			1,000	1,000								
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13		17,981	18,801		19000.00	19000.00	19000.00	19000.00	19000.00	19000.00	19000.00
Insert description	2											
Household/demographics (000)												
Number of people in municipal area					92,710	93	93	93	93	93	93	93
Number of poor people in municipal area												
Number of households in municipal area					30,490	30	30	30	30	30	30	30
Number of poor households in municipal area												
Definition of poor household (R per month)												
Housing statistics	3											
Formal					23,485	23,485	23,485	23,485	23,485	23,485	23,485	23,485
Informal					1,546	1,546	1,546	1,546	1,546	1,546	1,546	1,546
Total number of households			-	-	25,031	25,031	25,031	25,031	25,031	25,031	25,031	25,031
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-

Table 63 MBRR SA32 – List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
GNG			Debt Collection	31/10/2015	10% prof fee
TMJ			Debt Collection	31/10/2015	10% prof fee
NCIS			Debt Collection	31/10/2015	10% prof fee
Mathew Francis			Debt Collection	31/10/2015	10% prof fee
Indwe Risks Services			Short Term Insurance	30/06/2015	316
Ntshidi & Associates			Vat Assessment Service	30/11/2014	0
Walton's			Supply & Delivery of Stationery	28/02/2013	4
Indwe Risks Services			Supply & Delivery of Refuse Bags	28/02/2014	102
Metgovis (Pty) Ltd			Metval Property Magt. System	31/12/2013	270
Bytes (Pty) Ltd			Bytes	30/06/2014	31
Siqu Consulting Engineers			Civil Project Managers	30/06/2015	0
Excellent @ Work			Civil Project Managers	30/06/2015	0
Sukuma Consulting			Civil Project Managers	30/06/2015	0
Asande Projects			Electrical Project Managers	30/06/2015	0
Ntsumi Telecommunications			MMS Sent Statements for Municipal Accounts	30/08/2016	–
Sealcoat Surfacing & Asphalt			Upgrading Residential Roads in Mpophomeni	30/12/2013	3,500
Fidelity Cash Solutions			Cash In-Transit	30/09/2016	271
Tevtal Technology			Supply and Installation of a Credit Control Web Softw	30/11/2016	200

MUNICIPAL NOTICE NO. ……/2014

AMENDMENT TO TARIFFS: 2014/2015 FINANCIAL YEAR

Notice is hereby given in terms of Section 75A(3)(b) of the Local Government: Municipal Systems Act (Act 32 of 2000), that uMngeni Municipal Council by Resolution taken on 17 June 2014 resolved to amend the following tariffs as indicated:

1. Refuse Removal Tariffs

(a)	Domestic Consumers	Free up to total market value per property of R200 000. Consumers/Ratepayers with property values in excess of R200 000 will have a monthly charge of R54.15
(b)	Commercial Consumers	R101.12 per 120ℓ bin per month (One collection per week)
(c)	Government Institutions	R89.89 per bin 120ℓ per month (One collection per week)

Sectional title complexes that collect and transport domestic refuse to the landfill site for disposal must make application in writing to the Municipal Manager in order to qualify for reduced refuse removal tariffs subject to all necessary criteria being met.

Waste Management

Garden Refuse at Landfill Site

R1,00 per Kg

Builders Rubble at Landfill Site

R0,25 per Kg

Domestic Refuse at Landfill Site

R1,00 per Kg

The above tariff excludes Vat.

2. Electricity Tariffs

Domestic Consumers High on Conventional Meters

BLOCK 1: 0 – 50 Kwh 73c/kwh

BLOCK 2: 51 - 350 Kwh 89c/kwh

BLOCK 3: 351 – 600 Kwh 116c/kwh

BLOCK 4: 601 and above 140c/kwh

Basic Charge R107.51 per month

Any domestic consumer in excess of 60 amps will attract the charge of R20.71 per amp per month

These tariffs are applicable in respect of all accounts rendered from 1 July 2014 irrespective of when meter readings were taken

Domestic Consumers Low on Prepaid Meters

BLOCK 1: 0 – 50 kwh 75c/kwh

BLOCK 2: 51 - 350 kwh 93c/kwh

BLOCK 3: 351 – 600 kwh 121c/kwh

Domestic Consumers High on Prepaid Meters

BLOCK 1: 0 – 50 kwh 75c/kwh

BLOCK 2: 51 - 350 kwh 94c/kwh

BLOCK 3: 351 – 600 kwh 121c/kwh

BLOCK 4: 601 and above 142c/kwh

Commercial Consumers on Conventional Meters

Per kwh 80c/kwh

Basic Charge R20.36 per amp per month

These tariffs are applicable in respect of all accounts rendered from 1 July 2014 irrespective of when meter readings were taken.

Commercial Consumers on Prepaid Meters

Per kwh 146c/kwh

3. <u>Deposits</u>

(a) Domestic Consumers:

Electricity R1580,00

(a) All Other Consumers:
Electricity: Minimum deposit of R5540,00 but will be

Based on 2 months consumption.

4. <u>Meter Reading Fees</u>

(a) Domestic Consumers: R 90,00 per reading on request
(b) All Other Consumers:R175,00 per reading

5. Testing of Meters

(a) Domestic meters: R 233,00 per meter
(b) Commercial meters: R583,00 per meter

The above tariff excludes Vat.

ELECTRICITY - STANDARD CONNECTIONS

Electricity:	(Conventional & Prepaid)	R6242,00 per connection.
Electricity:	(Conversion to Pre-paid)	R650,00 per connection

(The standard conversion tariff applies to indigent applicants only and the application must Be made for a 20 amp circuit breaker or lower)

Domestic Circuit Breaker upgrades	R1200,00 per change

Any other Circuit Breaker upgrades are at cost plus 10 %

ELECTRICITY - OTHER CONNECTIONS

All other electricity connections, beyond the above standard connection are at cost + 20%.

Conversion from conventional to prepaid above 20 amps is at cost + 20%.

All new electricity, water and sewerage connections are made to the boundary of the property and not the dwelling, depending on the technical considerations.

The above tariff excludes Vat.

8. Disconnection/Reconnection and Tamper Fees

Electricity: Disconnection/Reconnection fee	R385
Electricity:	
1st Offence	R2500,00
2nd Offence	R3500,00
3rd Offence	Prosecution.

The above tariff excludes Vat.

9. Library Membership Fees

Adults	R92,00 per annum
Children (under 18)	R58,00 per annum

The above tariff excludes Vat.

10. Clearance Certificates and Property Valuation Certificates & Objections

(a) Issuing of Clearance Certificates R170,00 per certificate.

(b) Issuing of Property Valuation Certificates R 105.00 per certificate
(c) Lodging of Objections: R300.00 per objection for Residential and Non-Residential Properties

R600.00 per objection for Agricultural Properties

Refundable if objection is upheld

(d) Lodging of Appeals: R750.00 per appeal for all properties. Refundable is the appeal is upheld by the Valuations Appeals Board

The above tariff excludes Vat.

11. Building Plan Fees

Minor Works and Internal		R150,00
Alterations not affecting the floor area.		
New Buildings, erection or additions:		
(a)	For first 20m²	R 97,00
(b)	For 21m² - 50²	R162,00
(c)	For 51m² - 90m²	R240,00
(d)	For 91m² and above.	R 108,00 per 10m² or part thereof save for a 50% reduction on bone fide farming structures utilized for farming purposes in excess 91m².
(e)	Approval in principle	30% of Building Plan Fee.
(f)	Swimming Pools	R220,00
(g)	Drainage charge	R220,00
(h)	Petrol, Diesel & Gas	R230,00
(i)	Temporary Buildings	R150,00 for each 50m² or part thereof.
(j)	Pre-cast Concrete Boundary walls not adjacent to a road boundary but exceeding 1,8 meters in height shall require the submission of an application with sketch plan.	R 140,00
(k)	Pre-cast Concrete Boundary walls adjacent to a road exceeding 1,5 meters in height are subject to the submission of application	1/2% of the Value of the fence – Minimum R108,00

forms and building plans.

(l)	Hoarding Fees: Deposit per frontage of 10m² or	
	part thereof	R2050,00
	Rental per frontage of 10m² or	
	part thereof	R 95,00
(m)	Encroachments Balconies not used for living	
	purposes or business purposes.	R 69,00 per 10m² or part thereof.
	Balconies 75% enclosed and	
	attached to business premises	R167,00 per 10m²
	and not used or part thereof	
	For business purposes.	
	Balconies used for licensed	R770,00 per 10m²
	business purposes.	or part thereof.
	Verandah's	R 71,00 per annum
Servitudes and Reserves		R113,00 per annum per 10m or part thereof.

12. Town Planning Fees

(a) Subdivision	
- Urban (1-5 Subs)	R 4240,00
- Urban (6-10 Subs)	R 4700,00
- Urban (Above 10 Subs)	R 5600,00
- Rural (1-5 Subs)	R 6150,00
- Rural (6-10 Subs)	R 7300,00
- Rural (Above 10 Subs)	R 8280,00
(b) Subdivision and Consolidation	R 5620,00
Consolidation	R 424000
(c) Special Consent	
- Self contained unit with advertising	R 3025,00
- Self contained unit without advertising	R 1210,00
- Other Applications	R 4125,00
(d) Rezoning	
- less than 1 ha	R 4240,00
- 1 ha but less than 5 ha	R 4770,00

- 5 ha but less than 10 ha	R 5620,00
- 1	
0 ha and above	R 6780,00
(e) Extension of Scheme	R 4240,00
Development Outside Scheme	
- 1 ha to 5 ha	R 4600,00
- 6 ha to 10 ha	R 5100,00
- 10 ha and above	R 5600,00
(f) Alteration, Suspension and Removal of restrictive	
Conditions of title or conditions of establishment	R 4100,00

If an applicant for any application is responsible for the advertising, circulation and postage, the application fee will be R 1500 plus VAT per application

(g) Closure of Roads/Open Spaces	R 4320,00
(h) Amend, Phasing, or Cancellation of layouts	R 4320,00
(g) Extension of scheme	R 4210,00
(i) Enforcement	
- Spot Fines – Any Illegal Use	R 1210,00
- Thereafter per day	R 590,00
(j) Spot Fine – Prohibited Use	R 1200,00
- Thereafter per day	R 600,00
(h) Other Fines:	
- Fines as per section 75 and 89 of the PDA	As per court order
- Additional penalties in accordance with section 76:	As per court order
- Section 89 Civil Penalties	10 – 100% of value of illegal building construction etc.

The above tariff excludes Vat.

13. <u>Photocopies/Plotting Charges:</u>

Copies made by scholars	R 0,65
A4 Photocopy per page	R 1,05
A3 Photocopy per page	R 2,05

A1 G.I.S. print per page	R 4,05
A4 Plotting costs	R 9,15
A3 Plotting costs	R 30,20
A2 Plotting costs	R 45,15
A1 Plotting costs	R 80,25
A0 Plotting costs	R165,00
AO+Plotting costs	R176,00
CD Plotting costs	R 67,00
Digital Copies	R 37,50

Wide format Photocopying/plotting Charges

A0 size	R32,50
A1 size	R22,50
A2 size	R12,50
A3 size	R1,75
CD Plotting	R52,50

The above tariff excludes Vat

14. <u>Landfill Site Tarrifs</u>

1. The tariff for the disposal of refuse at the Curry's Post Landfill Site;-

a)	General domestic refuse, inert trade refuse, per 250kg or part thereof.	R37.60
b)	Mixed refuse (garden, domestic, trade refuse, including builder's rubble) per 250kg or part thereof.	R37.60
c)	Industrial sludges, subject to agreement and approval by the Landfill Manager per 250kg or part thereof.	R162.11
d)	Builder's rubble and excavated material per 250kg or part thereof;	R12.27
e)	Bulk food waste and condemned food per 250kg or part thereof;	R35.08
f)	Garden refuse, per 250kg or part thereof;	R12.27
g)	Finely divided excavated material with the maximum stone content of 10% And maximum stone size of 100mm per 250kg or part thereof;	R5.65
h)	Sawdust and woodwaste, per 250kg or part thereof;	R57.28

Provided that no charge shall be payable for the disposal of :-

i.	Garden refuse by bona fide households where such refuse is conveyed Motor cars, trailers with a normal capacity not greater than 0.5 tonne and Light delivery vehicles with a normal capacity not greater than 1 tonne and Deposited in the garden refuse containers.	R0.00

ii.	Builder's rubble by bona fide householders and casual builders where such Rubble is conveyed in vehicles with a nominal capacity not greater than 1 Tonne and deposited in the demarcated area on the Landfill site.	R0.00
iii.	Garden refuse by bona fide householders where such refuse is conveyed In vehicles with a normal capacity not greater than 1 tonne and deposited In the demarcated area on the Landfill site.	R0.00
iv.	Soil, ash and sand which the Landfill Site Manager has agreed in advance Is suitable cover material, delivered in trucks of minimum 5 tonne capacity	R0.00
2.	Tariff for the voluntary weighing of vehicles (per vehicle).	R31.04
3.	That parking of a vehicle, trailer or container be not more than 8 hours at the New England Road Site, or on the road reserve adjacent to the site for each 8 Hour period (per unit).	R343.84
4.	Building Rubble: deposit payable when submitting a building plan for approval And refundable upon proof of disposal on the Landfill site.	R1,156.10
5.	Illegal dumping: a collection and disposal fee per 1.75m3 container load for Refuse or rubble dumped on a road verge in front or next to a property.	R1,141.21
6.	Florescent tubes – complete tubes to be deposited in specialised containers Located in the recycling area. Per 250kg or part thereof.	R74.42

15. <u>Hall Hire Charges:</u>

HOWICK WEST HALL

1. Profit-making / commercial functions such as Banquet, Theatre and the likes:

	TARIFFS
(a) MAIN HALL Charge per 5 hour session:	R 2120,00
Deposit:	R 2120,00
TOTAL	R 4240,00

	TARIFFS
(b) Side Hall Charge per 5 hour session:	R 1060,00

Deposit:	R 1600,00
TOTAL	R 2660,00

	TARIFFS
© Main and Side Hall Charge per 5 hour session:	R 2120,00
Deposit:	R 2120,00
TOTAL:	R 4240,00

2. For activities relating to Elections:

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 2120,00
Deposit:	R 2120,00
TOTAL:	R 4240,00

	TARIFFS
(b) Side Hall Charge per 5 hour session:	R 1060,00
Deposit:	R 1600.00
TOTAL	R2660,00
	TARIFFS
(c) Main and Side Hall Charge per 5 hour session:	R 2120,00
Deposit:	R 2120,00
TOTAL:	R 4240,00

3. Fundraising, sporting, religious, political and cultural, and education functions: Preparation Time R400.00 per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 1060.00
Deposit:	R 1060,00
TOTAL:	R 2120,00

	TARIFFS
(b) Side Hall Charge per hour session:	R 640,00
Deposit:	R 640,00
TOTAL:	R 1280,00

	TARIFFS
(c) Main and Side Hall Charge per 5 hour session:	R 1600,00
Deposit:	R 1600,00
TOTAL:	R 3200,00

4. Social functions such as Weddings, Receptions, Parties, Choir performance and the likes: Preparation Time R400.00 per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 1600,00
Deposit:	R 1600,00
TOTAL:	R 3200,00

	TARIFFS
(b) Side Hall	R 1060,00

Charge per 5 hour session:	
Deposit:	R 1600,00
TOTAL	R 2660,00

	TARIFFS
(c) Main and Side Hall Charge per 5 hour session:	R 1660,00
Deposit:	R 1660,00
TOTAL:	R 3320,00

HILTON HALL

1. Profit-making / commercial functions such as Banquets, Theatre and the likes: Preparation time R250.00 per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 1660,00
Deposit:	R 1660,00
TOTAL:	R 3320,00

	TARIFFS
(b) Verandah only Charge per 5 hour session:	R 1060,00
Deposit:	R 1660,00
TOTAL	R 2720,00

	TARIFFS
(c) Main Hall and Verandah Charge per 5 hour session	R 1060,00
Deposit:	R 1660,00

TOTAL:	R 2720,00

2. For activities relating to Elections:

	TARIFFS
(a) Main Hall Charge per 5 hour session: Deposit:	R 1600,00 R 1600,00
TOTAL:	R 3200,00

	TARIFFS
(a) Verandah only Charge per 5 hour session:	R 1060.00
Deposit:	R 1600,00
TOTAL:	R 2660,00

	TARIFFS
© Main Hall and Verandah Charge per 5 hour session:	R 2400,00
Deposit:	R 2400,00
TOTAL:	R 4800,00

3. Fundraising, sporting, religious, political and cultural, and education functions:
Preparations time R300.00 per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 630,00
Deposit:	R 630,00
TOTAL:	R 1260,00

	TARIFFS
(b) Verandah only Charge per 5 hour session:	R 630,00
Deposit:	R 630,00
TOTAL:	R 1260,00

	TARIFFS
(c) Main Hall and Verandah Charge per 5 hour session:	R 1060,00
Deposit:	R 1060,00
TOTAL:	R 2120,00

4. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes: Preparation time R 200.00 per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 1600,00
Deposit:	R 1600,00
TOTAL:	R 3200,00

	TARIFFS
(b) Verandah only Charge per 5 hour session:	R 630,00
Deposit:	R 1600,00
TOTAL:	R 2230,00

	TARIFFS
(c) Main Hall and Verandah Charge per 5 hour session:	R 1600,00
Deposit:	R 1600,00

TOTAL:	R 3200,00

MPOPHOMENI HALL AND YOUTH THEATRE

1. Profit-making / commercial functions such as Banquets, Theatre and the likes:

	TARIFFS
(a) Main Hall Charge per hour session:	R 1100,00
Deposit:	R 1100,00
TOTAL:	R 2200,00

2. For activities relating to elections:

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R1100,00
Deposit:	R1100.00
TOTAL:	R2200,00

3. Fundraising, sporting, religious, political and cultural, and educational functions:

	TARIFFS
	R 660,00
Deposit:	R 1100,00
TOTAL:	R 1760,00

4. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:
Preparation time R200.00 per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 1100,00

Deposit:	R 1100,00
TOTAL:	R 2200,00

HOWICK SOUTH HALL

1. Profit-making / commercial functions such as Banquets, Theatre and the likes:

	TARIFFS
(b) Main Hall Charge per 5 hour session:	R 660,00
Deposit:	R 660,00
TOTAL:	R 1320,00

2. For activities relating to Elections:
Preparation time R100.00 per session

	PROPOSED TARIFFS
(a) Main Hall Charge per 5 hour session:	R 550,00
Deposit:	R 550,00
TOTAL:	R 1100,00

3. Fundraising, sporting, religious, political and cultural, and educational functions:
Preparation time R 100.00 per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 550,00
Deposit:	R 550,00
TOTAL:	R1100,00

4. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:
Preparation time R200.00 per session

	TARIFFS

(a) Main Hall Charge per 5 hour session:	R 550,00
Deposit:	R 550,00
TOTAL:	R 1100,00

KWA-MEVANA HALL

5. Profit-making / commercial functions such as Banquets, Theatre and the likes:

	TARIFFS
(b) Main Hall Charge per hour session:	R 1100,00
Deposit:	R 1100,00
TOTAL:	R 2200,00

6. For activities relating to elections:

	TARIFFS
(b) Main Hall Charge per 5 hour session:	R1100,00
Deposit:	R1100,00
TOTAL:	R2200,00

7. Fundraising, sporting, religious, political and cultural, and educational functions:

	TARIFFS
	R 660,00
Deposit:	R 1100,00
TOTAL:	R 1760,00

8. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:

Preparation time R250.00 per session

	TARIFFS
(c) Main Hall Charge per 5 hour session:	R 1100,00
Deposit:	R 1100,00
TOTAL:	R 2200,00

LIDGETON HALL

9. Profit-making / commercial functions such as Banquets, Theatre and the likes:

	TARIFFS
(c) Main Hall Charge per hour session:	R 1100,00
Deposit:	R 1100,00
TOTAL:	R 2200,00

10. For activities relating to elections:

	TARIFFS
(c) Main Hall Charge per 5 hour session:	R 1100,00
Deposit:	R 1100,00
TOTAL:	R 2200,00

11. Fundraising, sporting, religious, political and cultural, and educational functions:

	TARIFFS
	R 660,00
Deposit:	R 1100,00

TOTAL:	R 1760,00

12. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes: Preparation time R250.00 per session

	TARIFFS
(d) Main Hall Charge per 5 hour session:	R 1100,00
Deposit:	R 1100,00
TOTAL:	R 2200,00

13. Fees for the use of the Dorris Robbins Room at the Howick Library:
    (a) Promotion of culture i.e. Book discussions, art evaluation or educational instruction — Free
    (b) Religious services and charitable institutions — R 200,00 per session
    (c) Commercial undertakings — R350,00 per session

These fees are per session. Morning session 8am to 12 noon and afternoon session 1pm to 5 pm

NOTE: (i) Functions of Provincial and National acclaimed artists are NOT covered on these tariffs as written requests will have to be made to the Municipality.

(ii) A cancellation fee of 15% of the hire charge will be applicable should the booking be cancelled one month before the event. Should a request for cancellation be received at any time 2 weeks prior to the date of the event, the hire charge or deposit will be forfeited.

16. Animal Pound Charges

(a) Transport of animal by LDV or Truck - R5,00 per Kilometer per animal

(b) Veterinary Services rendered - Cost plus 10%

(c) Pound Fees/Holding Fees - Large Animals e.g. Cattle R90,00 per day

- Small Animals e.g. Sheep R60,00 per day

(d) Administration Fee - R170,00 per animal

17. uMngeni Municipality Sports Complex

Field 1

Ad-hoc day Activities	Deposit	=	R1600,00
	Charge	=	R 250,00

	Ad-hoc Night Activities	Deposit	=	R1600,00
		Charge	=	R 400,00/hr
	Season Bookings Day	Deposit	=	R2600,00
		Charge p/day	=	R 90,00
	Season Booking Night	Deposit	=	R2600,00/Season
		Charge p/night	=	R 220,00/hr
2.	Field 2			
	Ad – hoc Day	Deposit	=	R1600,00
		Charge	=	R 90,00
	Ad-hoc Night	Deposit	=	R1600,00
		Charge	=	R 90,00/hr
	Season Booking Day	Deposit	=	R2600,00/Season
		Charge	=	R 50,00/Day
	Season Booking Night	Deposit	=	R2600,00/Season
		Charge	=	R 70,00/hr
3.	Indoor Centre			
	Ad-hoc (Lights Day & Night	Deposit	=	R1600,00
		Charge	=	R 160,00/hr
	Season Booking	Deposit	=	R2600,00
		Charge	=	R 160,00/hr
4.	Bar and Restaurant			
	Electricity	=	As metered	
	Water	=	As metered	
	Lease	=	As per Bid	
	Deposit	=	R8500,00/year	
	Maintenance	=	Clean entire grand stand facility	
	Admin responsibility	=	Report to Municipality on users monthly	

5. Gym

Electricity	=	As metered
Water	=	As metered
Lease	=	As per Bid
Deposit	=	R8500,00/year
Maintenance	=	Clean entire Indoor Centre
Admin Responsibilities	=	Report to Municipality on users monthly

Interest on all arrear accounts will be charged at the rate of 1% per month and any part of a month shall be considered as a full month.

The date on which this notice will be first displayed on the municipal notice board is 17 June 2014.

These tariffs will come into operation on 1 July 2014.

Stephen Simpson

Acting Municipal Manager

uMngeni Municipality

P O Box 5

HOWICK

3290

ASSESSMENT OF GENERAL RATES FOR 2014/ 2015

MUNICIPAL NOTICE NO: .../ 2014

ASSESSMENT OF GENERAL RATES FOR 2014/ 2015

Notice is hereby given in terms of Section 14 of the Local Government: Municipal Property Rates Act No 6 of 2004, that by Resolution taken on 17 June 2014 the Council of uMngeni Municipality has resolved to determine the rates payable on all ratable property within the area of uMngeni Municipality for the financial year 1 July 2014 to 30 June 2015 at 1.45 cents in the rand on the market value of the property as stated in the valuation roll.

All rebates and exemptions are contained in the Rates Policy and may in certain instances be applied to the rate as assessed above.

General:

1. Rates will be payable monthly in eleven (11) equal installments with the first installment payable on 30 August 2014 and the last installment payable on the 30 June 2015.
2. The date on which the determination of rates came into operation is 01 July 2014.
3. Any rates remaining unpaid for a period longer than 3 months will be subject to legal action to be instituted to recover the arrear amount.
4. Any rates that are not paid on the due date will be subject to interest at the rate of 1% per month or part thereof.
5. A collection fee of 10% will be raised on the amount outstanding on 28 February 2015.
6. The date on which the notice was first displayed on the Municipal Notice Board is 18 June 2014.
7. This notice is also available on uMngeni Municipality's website www.umngeni.gov.za

S.G. SIMPSON
ACTING MUNICIPAL MANAGER
PO BOX 5
HOWICK, 3290

2.14 Acting Municipal manager's quality certificate

uMngeni Municipality

PO Box 5
3290
Howick, South Africa

Tel: +27 (33) 239 9200
Fax: +27 (33) 330 4183
Email: manager@umngeni.gov.za
Website: www.umngeni.gov.za

OFFICE OF THE ACTING MUNICIPAL MANAGER

Quality Certificate

I, Stephen Graham Simpson, Acting Municipal Manager of uMngeni Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

PRINT NAME STEPHEN GRAHAM SIMPSON___

ACTING MUNICIPAL MANAGER OF UMNGENI MUNICIPALITY (KZN222)

SIGNATURE _____

DATE 17 JUNE 2014_____